BHARAT FORGE | KALYANI



Subsidiary Companies Financial Statements 2025-26

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Note: The Financial Statements are stated in the respective local currencies.

Agneyastra Energetics Limited

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Agneyastra Energetics Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Agneyastra Energetics Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report, including annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with other accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair

view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification related to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under section 143(3)(b) and paragraph 2(B)(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules 2014.

g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

a. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

b. The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637
Sunit S. Shaha

Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF AGNEYASTRA ENERGETICS LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company. Also indicate if in dispute
Freehold Land at R.Ananthpur & Gowdanahalli Village, Sri aSathya Sai district, Andhra Pradesh	₹ 7,02,501.20 Thousands	Andhra Pradesh Industrial Infrastructure Corporation Ltd.	No	4th September, 2025 till date	Refer Note No. 3 of Audited Financial Statements

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, the Company did not hold any inventories during the period covered by this report. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Hence, clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Hence, clause 3(iii) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be

deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company. Hence, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, Undisputed statutory dues including Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 do not apply to the Company. According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed dues in respect of Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest, thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) The provisions of section 138 of the Companies Act, 2013 do not apply to the Company and no internal audit was carried out during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's as part of the Group.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report.

(in ₹ Thousands)

	FY 2025-26
Cash losses incurred	**16,839.69**

(xviii) There has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of Section 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637
Sunit S. Shaha

Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF AGNEYASTRA ENERGETICS LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

Opinion

We have audited the internal financial controls over financial reporting of **Agneyastra Energetics Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637
Sunit S. Shaha

Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

Balance Sheet

as at 31st March, 2026

(In ₹ Thousands)

		Notes	As at 31st March, 2026
I.	**ASSETS**		
1	**Non-current assets**		
a)	Property, plant and equipment	3	**702,501.20**
b)	Capital work in progress	3	**41,957.45**
c)	Other non-current assets	4	**16,205.00**
			760,663.65
2	**Current assets**		
a)	Financial assets		
i)	Cash and cash equivalents	5	**484.54**
ii)	Other financial assets	6	**6,806.10**
b)	Other current assets	7	**2,610.45**
			9,901.09
	TOTAL :		**770,564.74**
II.	**EQUITY AND LIABILITIES**		
1	**Equity**		
a)	Equity share capital	8	**100.00**
b)	Instruments entirely equity in nature	9	**769,571.28**
c)	Other equity	10	**(16,839.69)**
			752,831.59
2	**Current liabilities**		
a)	Financial Liabilities		
i)	Trade payables		
	Dues to micro enterprises and small enterprises	11	**-**
	Dues to other than micro enterprises and small enterprises	11	**16,932.43**
b)	Other current liabilities	12	**800.72**
			17,733.15
	TOTAL :		**770,564.74**
Significant accounting policies and notes forming an integral part of the financial statements		**1-25**	

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

On behalf of the Board of Directors of,
Agnesyastra Energetics Limited

Neelesh Tungar
Director
DIN 05229865

Sunil Kulkarni
Director
DIN 07228952

Place : Pune
Date : 29th April, 2026

Statement of Profit and Loss

for the period ended 31st March, 2026

(In ₹ Thousands)

		Notes	Period ended 31st March, 2026
I	**Revenue From operations**		-
II	**Other income**		-
	Total Revenue		-
III	**Expenses**		
	Other expenses	13	**16,839.69**
	Total expenses		**16,839.69**
IV	**Loss before tax**		**(16,839.69)**
V	**Tax expenses**		-
VI	**Loss for the period**		**(16,839.69)**
VII	**Other comprehensive income**		-
VIII	**Total comprehensive income for the period (VI+VII)**		**(16,839.69)**
IX	**Earnings per equity share (Nominal value of ₹ 10/-)**		
	a) Basic (In ₹)	16	**(1,683.97)**
	b) Diluted (In ₹)	16	**(1,683.97)**
	Significant accounting policies and notes forming an integral part of the financial statements	**1-25**	

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

On behalf of the Board of Directors of,
Agnesyastra Energetics Limited

Neelesh Tungar
Director
DIN 05229865

Sunil Kulkarni
Director
DIN 07228952

Place : Pune
Date : 29th April, 2026

Statement of Changes in Equity

for the period ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026	
	Nos.	In ₹ Thousands
Issued during the period	10,000	100.00
Balance as at 31st March, 2026	**10,000**	**100.00**

b Instrument entirely equity in nature

	As at 31st March, 2026	
	Nos.	In ₹ Thousands
Issued during the period	76,957,128	769,571.28
Balance as at 31st March, 2026	**76,957,128**	**769,571.28**

c Other equity (In ₹ Thousands)

	Retained Earnings	Total
Loss for the period	(16,839.69)	(16,839.69)
Other comprehensive income for the period	-	-
Balance as at 31st March, 2026	**(16,839.69)**	**(16,839.69)**

d Total equity (In ₹ Thousands)

	As at 31st March, 2026
Equity share capital	100.00
Instrument entirely equity in nature	769,571.28
Other equity	(16,839.69)
	752,831.59
Significant accounting policies and notes forming an integral part of the financial statements 1-25	

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

On behalf of the Board of Directors of,
Agnesyastra Energetics Limited

Neelesh Tungar
Director
DIN 05229865

Sunil Kulkarni
Director
DIN 07228952

Place : Pune
Date : 29th April, 2026

Cash Flow Statement

for the period ended 31st March, 2026

(In ₹ Thousands)

		Period ended 31st March, 2026
(A)	**Cash flow from operating activities**	
	Profit before tax	**(16,839.69)**
	Operating loss before working capital changes	**(16,839.69)**
	Movements in working capital :	
	Increase / (decrease) in trade payables	**16,932.43**
	Increase / (decrease) in other current liabilities	**800.72**
	(Increase) / decrease in other current financial assets	**(6,806.10)**
	(Increase) / decrease in other current assets	**(2,610.45)**
	(Increase) / decrease in other non current assets	**(16,205.00)**
		(7,888.40)
	Cash generated from operations	**(24,728.09)**
	Direct taxes paid (net of refunds)	**-**
	Net cash flows from operating activities	**(24,728.09)**
(B)	**Cash flows from investing activities**	
	Purchase of Property, Plant and Equipment (including capital work in progress)	**(706,696.97)**
	Net cash flows from/(used in) investing activities	**(706,696.97)**
(C)	**Cash flows from financing activities**	
	Equity shares issued	**100.00**
	Intercorporate loan received	**731,809.60**
	Net cash flows from/(used in) financing activities	**731,909.60**
(D)	**Net increase in cash and cash equivalents**	**484.54**
(E)	**Cash and cash equivalents at the beginning of the period**	**-**
(F)	**Cash and cash equivalents at the end of the period**	**484.54**

Cash and cash equivalents

(In ₹ Thousands)

	As at 31st March, 2026
Balances with banks in current accounts	**484.54**
TOTAL :	**484.54**

Significant accounting policies and notes forming an integral part of the financial statements	**1-25**	

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
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On behalf of the Board of Directors of,
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Neelesh Tungar
Director
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Sunil Kulkarni
Director
DIN 07228952

Place : Pune
Date : 29th April, 2026

Notes Forming part of the Financial Statements

for the period ended 31st March, 2026

1 CORPORATE INFORMATION:

Agneyastra Energetics Limited was incorporated on 2nd July, 2025, as a public limited company under the Companies Act, 2013. The Company is a wholly owned subsidiary of Kalyani Strategic Systems Limited within the meaning of Sec. 2(87) of the Companies Act, 2013. Corporate Identity Number of the Company is U20292PN2025PLC243609.

During the period covered by these financial statements, the Company was engaged in setting up the business of design, development, assembly, maintenance, repair, overhaul, trading, import and export of defence and non-defence systems, including weapon systems, ammunition, system integration, hydraulic machines, armaments, machine tools, and other engineering machinery, along with related research and development activities.

These financial statements have been prepared for the period from the date of incorporation, i.e. 2nd July, 2025 to 31st March, 2026. This being the first year, the question of providing previous year's figures does not arise.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 29th April, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest thousands rupees.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 18)

b) Financial instruments (including those carried at amortized cost) (note 19)

c) Quantitative disclosures of fair value measurement hierarchy (note 20)

2.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

d) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.12.

e) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

2.6 Government grants :

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the

periods and in the proportions in which depreciation on those assets is charged.

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 and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.7 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables and payables in the balance sheet.

2.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of

acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

2.10 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or

country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.11 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument

improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable

is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.13 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.14 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.15 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash flow statement :

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.

2.18 Recent Pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT :

(In ₹ Thousands)

	Freehold land	Total	Capital work in progress
Gross block, at Cost :			
Additions	**702,501.20**	**702,501.20**	**41,957.45**
Disposals	-	-	-
As at 31st March, 2026	**702,501.20**	**702,501.20**	**41,957.45**
Depreciation and Amortization :			
Disposals	-	-	-
For the period	-	-	-
Upto 31st March, 2026	-	-	-
Net Block :			
As at 31st March, 2026	**702,501.20**	**702,501.20**	**41,957.45**

a) Capital work in progress Ageing Schedule

(In ₹ Thousands)

	Less than 1 year
As at 31st March, 2026	
Projects in process	**41,957.45**

b) The title deeds of immovable property are not held in the name of the company :

The Company has acquired land at R.Ananthapur and Gowdanahalli Villages, Madakasira Mandai, Shri Sathya Sai District from the Andhra Pradesh Industrial Infrastructure Corporation Limited through an agreement to sale for a total consideration of ₹ 6,64,755.00 thousands. As of the balance sheet date, the Company has taken physical possession and has paid the full consideration along with the applicable stamp duty. The formal sale deed is pending execution, subject to the fulfillment of certain post-acquisition conditions. Management is confident that these conditions will be met in the ordinary course of business and that the beneficial interest in the land lies with the Company. Accordingly, the land has been capitalised as Freehold Land at its acquisition cost including directly attributable expenses.

c) Borrowing cost

During the year, the Company has capitalised borrowing costs amounting to ₹ 41,957.45 thousands as part of the cost of qualifying assets. These costs relate to specific borrowings for the acquisition and development of land and the setting up factory. The capitalisation rate is 9% p.a.

d) For details of expenditure capitalised to capital work in progress refer note no. 13(b).

e) The Company has not revalued any property, plant and equipment during the year.

4 OTHER NON-CURRENT ASSETS :

(Unsecured, good) (In ₹ Thousands)

	As at 31st March, 2026
Capital advances	**16,205.00**
TOTAL :	**16,205.00**

5 CASH AND BANK BALANCES :

(In ₹ Thousands)

	As at 31st March, 2026
Cash and cash equivalents	
Balances with banks	
In current accounts	**484.54**
TOTAL :	**484.54**

6 OTHER CURRENT FINANCIAL ASSETS :

(Unsecured, good) (In ₹ Thousands)

	As at 31st March, 2026
Other Receivable	**6,806.10**
TOTAL :	**6,806.10**

7 OTHER CURRENT ASSETS :

(Unsecured, good) (In ₹ Thousands)

	As at 31st March, 2026
Balances with government authorities	**2,610.45**
TOTAL :	**2,610.45**

8 EQUITY SHARE CAPITAL :

(In ₹ Thousands)

		As at 31st March, 2026
Authorised		
20,000,000	Equity shares of ₹ 10/- each	**200,000.00**
Issued, Subscribed and fully paid-up		
10,000	Equity shares of ₹ 10/- each	**100.00**
TOTAL :		**100.00**

(a) Reconciliation of the shares outstanding at the end of the reporting period

Equity Shares	As at 31st March, 2026	
	Nos.	In ₹ Thousands
Shares issued during the period	10,000	100.00
Outstanding at the end of the period	10,000	100.00

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares, having par value of ₹ 10/- per share. Every equity shareholder is entitled to one vote per share on a show of hands. On a poll, voting rights are determined in proportion to the shareholder's shareholding in the paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Name of Shareholder	As at 31st March, 2026	
	Nos.	In ₹ Thousands
Equity shares of ₹ 10 each, fully paid		
Kalyani Strategic Systems Limited#	10,000	100.00

Including shares held with joint holders

(d) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2026	
	Nos.	% of Holding
Equity shares of ₹ 10 each, fully paid		
Kalyani Strategic Systems Limited#	10,000	100%
	10,000	100%

Including shares held with joint holders

(e) Shares held by Promoters

Promoter Name	As at 31st March, 2026		% Changes during the period
	No. of Shares	% of Holding	
Equity shares of ₹ 10 each, fully paid			
Kalyani Strategic Systems Limited#	10,000	100%	100.00

Including shares held with joint holders

9 INSTRUMENTS ENTIRELY EQUITY IN NATURE :

(In ₹ Thousands)

		As at 31st March, 2026
Authorised		
80,000,000	8% Optionally Convertible Reedemable Preference shares of ₹ 10/- each	**800,000**
Issued, Subscribed and fully paid-up		
76,957,128	8% Optionally Convertible Reedemable Preference shares of ₹ 10/- each	**769,571**
	TOTAL :	**769,571**

(a) Reconciliation of the shares outstanding at the end of the reporting period

	As at 31st March, 2026	
	Nos.	In ₹ Thousands
Shares issued during the period	**76,957,128**	**769,571**
Outstanding at the end of the period	**76,957,128**	**769,571**

(b) Terms/rights attached to preference shares:

8% Optionally Convertible Redeemable Preference Shares (OCRPS) of face value ₹10 each carry a preferential right over equity shares of the Company with respect to payment of dividend and repayment of capital. These shares are non-participating in surplus funds, surplus assets, and profits remaining after repayment of the entire share capital upon winding up of the Company.

The OCRPS carry a non-cumulative dividend at the rate of 8% per annum, payable in preference to equity shareholders, as and when declared by the Company. The OCRPS have a tenure of 5 years. Prior to the expiry of the tenure, the OCRPS shall, at the discretion of the Company, either be redeemed or converted into equity shares of the Company, in accordance with applicable laws.

In case of conversion, each OCRPS shall be converted into equity shares in the ratio of 1:1. The equity shares issued pursuant to such conversion shall rank pari passu with the existing equity shares of the Company in all respects, except for entitlement to dividend on a pro-rata basis for the year of conversion, if applicable.

(c) Shares held by holding company

Name of Shareholder	As at 31st March, 2026	
	Nos.	In ₹ Thousands
8% Optionally Convertible Reedemable Preference shares of ₹ 10 each, fully paid		
Kalyani Strategic Systems Limited#	**76,957,128**	**769,571.28**

Including shares held with joint holders

(d) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2026	
	Nos.	% of Holding
8% Optionally Convertible Reedemable Preference shares of ₹ 10 each, fully paid		
Kalyani Strategic Systems Limited	**76,957,128**	**100%**
	76,957,128	**100%**

(e) Shares held by Promoters

Promoter Name	As at 31st March, 2026		% Changes during the year
	No. of Shares	% of Holding	
8% Optionally Convertible Reedemable Preference shares of ₹ 10 each, fully paid			
Kalyani Strategic Systems Limited	76,957,128	100%	NA

(f) Shares allotted pursuant to contracts without payment being received in cash

During the period, the Company has issued 7,69,57,128, 8% Optionally Convertible Reedemable Preference shares of ₹ 10 each fully paid at par to Kalyani Strategic Systems Limited, the holding company upon conversion of intercorporate deposit received and interest accrued thereon till the date of conversion.

10 OTHER EQUITY :

(In ₹ Thousands)

	As at 31st March, 2026
Retained earnings	
Loss for the year	**(16,839.69)**
Other comprehensive income for the year	-
Closing balance	**(16,839.69)**

11 TRADE PAYABLES :

(In ₹ Thousands)

	As at 31st March, 2026
Dues to micro enterprises and small enterprises	-
Dues to other than micro enterprises and small enterprises	**16,932.43**
TOTAL :	**16,932.43**

For terms and conditions relating to related party payables, refer note no. 15

Trade payables ageing schedule

(In ₹ Thousands)

	Outstanding for following periods from due date of payment		
	Unbilled*	Less than 1 year	Total
As at 31st March, 2026			
Undisputed dues to MSME	-	-	-
Undisputed dues to other than MSME	**120.00**	**16,812.43**	**16,932.43**
Disputed dues to MSME	-	-	-
Disputed dues to other than MSME	-	-	-
	120.00	**16,812.43**	**16,932.43**

* Unbilled represents accrual of expenses

12 OTHER CURRENT LIABILITIES :

(In ₹ Thousands)

	As at 31st March, 2026
Statutory liabilities	800.72
TOTAL :	**800.72**

13 OTHER EXPENSES :

(In ₹ Thousands)

	Period ended 31st March, 2026
Legal & Professional Fees	7,132.15
Share Issue Expenses	9,593.01
Audit Fees [Refer (a) below]	100.00
Miscellaneous expenses#	14.53
TOTAL :	**16,839.69**

Miscellaneous expenses include bank charges, filing fees etc.

(a) Payment to auditors

(In ₹ Thousands)

	Period ended 31st March, 2026
As auditor:	
- Audit fee	75.00
Income tax matters	25.00
TOTAL :	**100.00**

(b) Capitalisation of expenditure

The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/capital work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(In ₹ Thousands)

	Period ended 31st March, 2026
Finance costs	
Interest on borrowings	41,957.45
Other expenses	
Professional Fess	3,082.62
Miscellaneous expenses	601.80
TOTAL :	**45,641.87**

14 SEGMENT INFORMATION :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. During the period covered by these financial statements, the Company was engaged in setting up the business of design, development, assembly, maintenance, repair, overhaul, trading, import and export of defence and non-defence systems, including weapon systems, ammunition, system integration, hydraulic machines, armaments, machine tools, and other engineering machinery, along with related research and development activities; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

15 RELATED PARTY DISCLOSURES :

(i) Names of the related parties and related party relationship

a) Holding Company	Kalyani Strategic System Limited
b) Key management personnel	Mr. Neelesh Tungar, Director
	Mr. Vikram Munje, Director
	Mr. Sunil Kulkarni, Director

(ii) Related parties with whom transactions have taken place during the period (In ₹ Thousands)

Sr. No.	Nature of transaction	Note Ref.	Period ended 31st March, 2026
	Kalyani Strategic System Limited : Holding Company		
1	Issue of equity shares		**100.00**
2	Reimbursement of expenses Paid	(a)	**17,102.30**
3	Interest paid on intercorporate loan		**41,957.42**
4	Intercorporate loan received	(b)	**731,809.60**
5	Intercorporate loan repaid		**731,809.60**
6	8% Optionally Convertible Reedemable Preference shares issued		**769,571.28**

(iii) Balances outstanding (In ₹ Thousands)

Sr. No.	Nature of Transaction	As at 31st March, 2026
	Kalyani Strategic System Limited : Holding Company	
1	Trade payables	**16,812.43**

(iv) Terms and conditions of transactions with related parties

(a) Reimbursement of costs paid to related parties are at cost.

(b) Inter corporate deposit from the holding company carries interest @ 9%. The loan was repayable on demand or convertible into 8% Optionally Convertible Redeemable Preference shares at the option of the Company. During the period, the Company has issued 8% Optionally Convertible Redeemable Preference shares of ₹ 10 each fully paid at par to Kalyani Strategic Systems Limited, upon conversion of intercorporate deposit received and interest accrued thereon till the date of conversion.

16 EARNING PER SHARE (EPS)

		Period ended 31st March, 2026
Loss for the period attributable to shareholders (In ₹ Thousands)		**(16,839.69)**
I	**Basic Earning Per Share**	
	Earnings per equity share (nominal value of share ₹ 10/-)	
	Weighted average number of equity shares	**10,000**
	Basic earning per share of face value of ₹ 10 each (In ₹)	**(1,683.97)**
II	**Diluted Earning Per Share***	
	Earnings per equity share (nominal value of share ₹ 10/-)	
	Weighted Average Number of Shares	**10,000**
	Diluted Earnings per equity share (nominal value of share ₹ 10/-) fully paid shares	**(1,683.97)**

* As at 31st March 2026, 7,69,57,128 8% Cumulative Convertible Preference Shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti dilutive.

17 CAPITAL COMMITMENT :

(In ₹ Thousands)

	As at 31st March, 2026
Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances	**19,040.00**
	19,040.00

18 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adequate taxable income within the time permissible as per the taxing legislations.

19 FINANCIAL INSTRUMENTS BY CATEGORY :

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

(In ₹ Thousands)

	As at 31st March, 2026	
	Carrying value	Fair value
I) Financial assets	-	-
II) Financial liabilities	-	-

The management assessed that the fair value of cash and cash equivalent, other current financial assets and trade payables are approximate their carrying amounts largely due to the short term maturities of these instruments.

20 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

21 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include other receivables, cash and cash equivalents.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities denominated in foreign currency.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Since, there are no short-term investments or short-term borrowing, the Company is not exposed to significant interest rate risk.

iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and other receivables.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ Thousands)

	Less than 1 year	1 year to 5 years	> 5 years	Total
Year ended 31st March, 2026				
Trade payables	**16,932.43**	**-**	**-**	**16,932.43**
	16,932.43	**-**	**-**	**16,932.43**

22 INCOME TAX

(a) Reconciliation of the major components of income tax expense for the years ended for 31st March, 2026

(In ₹ Thousands)

	As at 31st March, 2026
Accounting loss before tax	**(16,839.69)**
At India's enacted tax rate of 25.17%	**-**
Deferred tax savings on current year accounting loss	**4,238.55**
Tax effect of non-deductible expenses	**(1,798.51)**
Deferred tax assets not recognised	**(2,440.04)**
At the effective income tax rate of 25.17%	**-**
Income tax expense reported in the statement of profit and loss	**-**

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As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the company has sent confirmations to all its suppliers. Based upon the confirmations received as of 31st March, 2026 and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

24 RATIO ANALYSIS :

	Note	Numerator	Denominator	31st March, 2026
Current ratio		Current Assets	Current Liabilities	**0.56**
Debt - equity ratio	(ii)	Total debt	Shareholder's equity	**NA**
Debt service coverage ratio	(ii)	Earnings available for debt services	Debt service	**NA**
Return on equity ratio (%)		Profit / (Loss) for the year	Average shareholders' equity	**(44.74)**
Inventory turnover ratio	(iii)	Cost of goods sold	Average inventory	**NA**
Trade receivables turnover ratio	(iii)	Revenue	Average trade receivable	**NA**
Trade payables turnover ratio		Purchases + Other expenses	Average trade payables	**1.99**
Net capital turnover ratio	(iii)	Revenue	Working capital	**NA**
Net profit ratio (%)	(iii)	Profit / (loss) for the year	Revenue	**NA**
Return on capital employed (%)		Earning before interest and taxes	Capital employed	**(0.02)**
Return on investment (%)	(iv)	Income generated from investment	Time weighted average investments	**NA**

(i) In the absence of comparative information, the Company has disclosed ratios for the current year only. Consequently, variance analysis and explanations for changes in ratios, as required under Schedule III to the Companies Act, 2013, have not been presented.

25 OTHER STATUTORY INFORMATION

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

(g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company, and accordingly the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. However, the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The Company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software used for maintaining the books of accounts. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953BFYCKX7926

Place : Pune
Date : 29th April, 2026

On behalf of the Board of Directors of,
Agnesyastra Energetics Limited

Neelesh Tungar
Director
DIN 05229865

Sunil Kulkarni
Director
DIN 07228952

Place : Pune
Date : 29th April, 2026

BF Elbit Advanced Systems Private Limited

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of BF Elbit Advanced Systems Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **BF Elbit Advanced Systems Private Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 24 to the financial statements, which indicates that the Company has incurred losses of ₹ 24,319.30 thousands during the current year ended 31st March, 2026 and as of that date, has accumulated losses are ₹ 234,718.74 thousands which have completely eroded the net worth of the Company. The Company also has net current liability of ₹ 2,35,775.93 thousands as at 31st March, 2026. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continues as a going concern. However, on the basis of the support of the Holding Company and other factors mentioned in the aforesaid note to the financial statement, the management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financials statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g).

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, two out of four of the directors are not disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act. The board of directors have not received written presentation of two directors hence we are unable to comment on qualification in terms of Section 164(2) of the Act of these directors.

   f) The modification related to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules 2014.

   g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position;

   b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility for the financial year. The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail. Consequently, we are unable to comment on audit trail feature of the said software as well as its capabilities of preservation of records as per the statutory requirement for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953YEWLLR6330

Place: Pune
Date : 6th May, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF BF ELBIT ADVANCED SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, the Company did not hold any inventories during the period covered by this report. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties. Hence, clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither given any loan to any person or other body corporate nor given any guarantee or provided security in connection with a loan to any other body corporate or person. Similarly, the Company has also not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company. Hence, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, Undisputed statutory dues including Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act 1952 do not apply to the Company. According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed dues in respect of Goods and Services Tax, Income-Tax, Duty of Custom, Cess and

other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest, thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) The provisions of section 138 of the Companies Act, 2013 do not apply to the Company and no internal audit was carried out during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's as part of the Group.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report and also in the preceding financial year.

₹ in Thousand

	FY 2025-26	FY 2024-25
Cash losses incurred	**22,305.23**	20,159.80

(xviii) There has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying the financial statements causes us to believe that material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The Company has incurred losses of ₹ 24,319.30 thousands during the current year ended 31st March, 2026 and as of that date, has accumulated losses are ₹ 234,718.74 thousands which have completely eroded the net worth of the Company. The Company also has net current liability of ₹ 2,35,775.93 thousands as at 31st March, 2026. However, on the basis of the support of the Holding Company and other factors mentioned in the Note 24 to the financial statement, the management is of the view that going concern basis of accounting is appropriate. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953YEWLLR6330

Place: Pune
Date : 6th May, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF BF ELBIT ADVANCED SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

Opinion

We have audited the internal financial controls over financial reporting of **BF Elbit Advanced Systems Private Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953YEWLLR6330

Place: Pune
Date : 6th May, 2026

Balance Sheet

as at 31st March, 2026 (In ₹ Thousands)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	**11,907.88**	13,921.95
	(b) Intangible assets	4	**-**	-
	(c) Financial assets			
	(i) Other financial assets	5	**20.00**	20.00
	(d) Other non-current assets	6	**8,933.39**	8,871.13
			20,861.27	22,813.08
2	**Current assets**			
	(a) Financial assets			
	(i) Cash and cash equivalents	7	**28.41**	28.41
			28.41	28.41
	TOTAL :		**20,889.68**	22,841.49
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	8	**19,804.08**	19,804.08
	(b) Other equity	9	**(234,718.74)**	(210,399.44)
			(214,914.66)	(190,595.36)
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	10	**235,438.41**	213,065.97
	(ii) Trade payables	11		
	Dues to micro enterprises and small enterprises		**29.74**	-
	Dues to other than micro enterprises and small enterprises		**130.37**	185.62
	(b) Other current liabilities	12	**205.82**	185.26
			235,804.34	213,436.85
	TOTAL :		**20,889.68**	22,841.49
Significant accounting policies and notes forming an integral part of the financial statements		**1-28**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953YEWLLR6330

Place : Pune
Date : 6th May, 2026

On behalf of the Board of Directors of
BF Elbit Advanced Systems Private Limited

Neelesh Tungar
Director
DIN: 05229865

Rajinder Singh Bhatia
Director
DIN: 05333963

Place : Pune
Date : 6th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026 (In ₹ Thousands)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I.	**Income**			
a)	Revenue from operations		-	-
b)	Other income	13	**2.65**	13.81
	Total Revenue		**2.65**	13.81
II.	**Expenses**			
a)	Finance costs	14	**22,143.08**	20,049.14
b)	Depreciation and amortization expenses	15	**2,014.07**	2,014.07
c)	Other expenses	16	**164.80**	124.47
	Total expenses		**24,321.95**	22,187.68
III.	**Loss before tax**		**(24,319.30)**	(22,173.87)
IV.	**Tax expenses**		-	-
V.	**Loss for the year**		**(24,319.30)**	(22,173.87)
VI.	**Other comprehensive income**		-	-
VII.	**Total comprehensive income for the year (V+VI)**		**(24,319.30)**	(22,173.87)
VIII.	**Earnings per equity share [nominal value of ₹ 10/-]**			
a)	Basic (In ₹)	19	**(12.28)**	(11.20)
b)	Diluted (In ₹)	19	**(12.28)**	(11.20)
Significant accounting policies and notes forming an integral part of the financial statements		**1-28**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953YEWLLR6330

Place : Pune
Date : 6th May, 2026

On behalf of the Board of Directors of
BF Elbit Advanced Systems Private Limited

Neelesh Tungar
Director
DIN: 05229865

Rajinder Singh Bhatia
Director
DIN: 05333963

Place : Pune
Date : 6th May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	(In ₹ Thousands)	Nos.	(In ₹ Thousands)
As at beginning of the year	**1,980,408**	**19,804.08**	1,980,408	19,804.08
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting period	**1,980,408**	**19,804.08**	1,980,408	19,804.08
Changes in equity share capital during the year	**-**	**-**	-	-
As at end of the year	**1,980,408**	**19,804.08**	1,980,408	19,804.08

b Other equity

(In ₹ Thousands)

	Retained Earnings	Total
Balance as at 1st April, 2024	(188,225.57)	(188,225.57)
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	(188,225.57)	(188,225.57)
Add :		
Loss for the year	(22,173.87)	(22,173.87)
Other comprehensive income	-	-
Balance as at 31st March, 2025	**(210,399.44)**	**(210,399.44)**
Changes in equity share capital due to prior period errors	**-**	**-**
Restated balance at the beginning of the current reporting period	**(210,399.44)**	**(210,399.44)**
Add :		
Loss for the year	**(24,319.30)**	**(24,319.30)**
Other comprehensive income	**-**	**-**
Balance as at 31st March, 2026	**(234,718.74)**	**(234,718.74)**

c Total equity

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Equity share capital	**19,804.08**	19,804.08
Other equity	**(234,718.74)**	(210,399.44)
TOTAL :	**(214,914.66)**	(190,595.36)

Significant accounting policies and notes forming an integral part of the financial statements **1-28**

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953YEWLLR6330

Place : Pune
Date : 6th May, 2026

On behalf of the Board of Directors of
BF Elbit Advanced Systems Private Limited

Neelesh Tungar
Director
DIN: 05229865

Rajinder Singh Bhatia
Director
DIN: 05333963

Place : Pune
Date : 6th May, 2026

Cash Flow Statement

for the year ended 31st March, 2026 (In ₹ Thousands)

		Year ended 31st March, 2026	Year ended 31st March, 2025
(A) Cash flow from operating activities			
Loss before tax		**(24,319.30)**	(22,173.87)
Add :			
Depreciation and amortization expenses		**2,014.07**	2,014.07
Interest paid on borrowings		**1.91**	-
Operating loss before working capital changes		**(22,303.32)**	(20,159.80)
Movements in working capital :			
(Increase) / decrease in other current assets		**(62.26)**	(33.08)
(Increase) / decrease in other financial assets		**-**	-
Increase / (decrease) in trade payables		**(25.51)**	58.80
Increase / (decrease) in other current liabilities		**20.56**	9.53
		(67.21)	35.25
Cash generated from operations		**(22,370.53)**	(20,124.55)
Direct taxes paid (net of refunds)		**-**	-
Net cash flows from operating activities	**(A)**	**(22,370.53)**	(20,124.55)
(B) Cash flows from investing activities			
Purchase of property, plant and equipment		**-**	-
Net cash flows used in investing activities	**(B)**	**-**	-
(C) Cash flows from financing activities			
Proceeds from short term borrowings (net of repayment)		**22,372.44**	20,124.55
Interest Paid		**(1.91)**	-
Net cash flows from/(used in) financing activities	**(C)**	**22,370.53**	20,124.55
(D) Net increase in cash and cash equivalents (A+B+C)		**-**	-
(E) Cash and cash equivalents at the beginning of the year		**28.41**	28.41
(F) Cash and cash equivalents at the end of the year		**28.41**	28.41

Components of cash and cash equivalents as at

	As at 31st March, 2026	As at 31st March, 2025
Balances with banks in current accounts	**28.41**	28.41
TOTAL :	**28.41**	28.41

Significant accounting policies and notes forming an integral part of the financial statements	1-28

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953YEWLLR6330

Place : Pune
Date : 6th May, 2026

On behalf of the Board of Directors of
BF Elbit Advanced Systems Private Limited

Neelesh Tungar
Director
DIN: 05229865

Rajinder Singh Bhatia
Director
DIN: 05333963

Place : Pune
Date : 6th May, 2026

Notes Forming part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

BF Elbit Advanced Systems Private Limited was incorporated on 2nd August, 2012, as a private limited company under the erstwhile Companies Act, 1956. The Company is a subsidiary of Bharat Forge Limited and thus deemed to be a public company within the meaning of Sec. 2(71) of the Companies Act, 2013. The Company is a 51:49 Joint Venture between Bharat Forge Limited and Elbit Systems Land and C4I Limited of Israel. Bharat Forge Limited is the Holding Company. Corporate Identity Number of the Company is U29270PN2012PTC144268.

The Company is engaged in the business of developing weapon systems with primary focus on artillery and mortar systems of all calibres.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 6th May, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest thousand rupee.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 20)

b) Quantitative disclosures of fair value measurement hierarchy (note 22)

c) Financial instruments (including those carried at amortized cost) (note 21)

2.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its

performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

b) Export incentives :

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

c) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

d) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

e) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.13.

f) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

h) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

i) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables ad payables in the balance sheet.

2.7 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

The Management's estimate of the useful lives of various fixed assets, which is in line with the provisions of Schedule II to the Companies Act, 2013 is given below.

Type of Asset		Estimated useful life
i)	Building - Temporary structure	3 Years
ii)	Computers	3 Years
iii)	Office equipment	5 Years
iv)	Plant and Machinery	10 Years

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Company amortises intangible assets on a straight line basis over the useful life of the asset as mentioned below:

Type of Asset		Estimated useful life (years)
i)	Software	3

2.9 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement

is dependant on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in the arrangement.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful lives estimated by the management
i) Building	Over the period of lease agreement

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.11 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.12 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.13 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are

subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks

and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance

on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized

in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.14 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.15 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.16 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.17 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.18 Cash flow statement :

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.

2.19 Recent Pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

(In ₹ Thousands)

	Building - Temporary structure	Office Equipment	Computers	Plant and Machinery	Total
Gross block, at cost :					
As at 1st April, 2024	667.81	179.84	444.59	20,140.74	21,432.98
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March, 2025	667.81	179.84	444.59	20,140.74	21,432.98
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March, 2026	**667.81**	**179.84**	**444.59**	**20,140.74**	**21,432.98**
Depreciation and amortization :					
As at 1st April, 2024	667.81	179.84	444.59	4,204.72	5,496.96
Disposals	-	-	-	-	-
For the year	-	-	-	2,014.07	2,014.07
Upto 31st March, 2025	667.81	179.84	444.59	6,218.79	7,511.03
Disposals	-	-	-	-	-
For the year	-	-	-	**2,014.07**	**2,014.07**
Upto 31st March, 2026	**667.81**	**179.84**	**444.59**	**8,232.86**	**9,525.10**
Net Block :					
As at 31st March, 2025	-	-	-	13,921.95	13,921.95
As at 31st March, 2026	**-**	**-**	**-**	**11,907.88**	**11,907.88**

a) The Company has not revalued any property, plant and equipment during the year.

4 INTANGIBLE ASSETS

(In ₹ Thousands)

	Software	Total
Gross block, at cost :		
As at 1st April, 2024	795.00	795.00
Additions	-	-
Disposals	-	-
As at 31st March, 2025	795.00	795.00
Additions	-	-
Disposals	-	-
As at 31st March, 2026	**795.00**	795.00
Depreciation and amortization :		
As at 1st April, 2024	795.00	795.00
Disposals	-	-
For the year	-	-
Upto 31st March, 2025	795.00	795.00
Disposals	-	-
For the year	-	-
Upto 31st March, 2026	**795.00**	**795.00**
Net Block :		
As at 31st March, 2025	-	-
As at 31st March, 2026	**-**	**-**

a) The Company has not revalued any intangible assets during the year.

5 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, Good) (In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Security Deposits	**20.00**	20.00
TOTAL :	**20.00**	20.00

6 OTHER NON-CURRENT ASSETS

(Unsecured, Good) (In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**8,933.39**	8,871.13
TOTAL :	**8,933.39**	8,871.13

7 CASH AND BANK BALANCES

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents		
Balances with banks		
In current accounts	**28.41**	28.41
TOTAL :	**28.41**	28.41

8 EQUITY SHARE CAPITAL

(In ₹ Thousands)

			As at 31st March, 2026	As at 31st March, 2025
Authorised				
15,000,000	15,000,000	Equity shares of ₹ 10/- each	**150,000.00**	150,000.00
Issued, Subscribed and fully paid-up				
1,980,408	1,980,408	Equity shares of ₹ 10/- each	**19,804.08**	19,804.08
Total issued, subscribed and fully paid-up share capital :			**19,804.08**	19,804.08

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	**As at 31st March, 2026**		As at 31st March, 2025	
	Nos.	**(In ₹ Thousands)**	Nos.	(In ₹ Thousands)
At the beginning of the year	**1,980,408**	**19,804.08**	1,980,408	19,804.08
Add : Shares issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,980,408**	**19,804.08**	1,980,408	19,804.08

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	% of Holding	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited, the Holding Company#	**1,010,000**	**51.00**	1,010,000	51.00

Including shares held with joint holders

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	% of Holding	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited, the Holding Company#	**1,010,000**	**51.00**	1,010,000	51.00
Elbit Systems Land and C4I Limited	**970,408**	**49.00**	970,408	49.00

Including shares held with joint holders

(e) Shares held by Promoters

Promoter Name	As at 31st March, 2026		As at 31st March, 2025		% Changes during the year
	No. of Shares	%	No. of Shares	%	
Bharat Forge Limited#	**1,010,000**	**51.00**	1,010,000	51.00	**-**
Elbit Systems Land and C4I Limited	**970,408**	**49.00**	970,408	49.00	**-**

Including shares held with joint holders

Promoter Name	As at 31st March, 2025		As at 31st March, 2024		% Changes during the year
	No. of Shares	%	No. of Shares	%	
Bharat Forge Limited#	1,010,000	51.00	1,010,000	51.00	-
Elbit Systems Land and C4I Limited	970,408	49.00	970,408	49.00	-

Including shares held with joint holders

9 OTHER EQUITY

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
As per last account	**(210,399.44)**	(188,225.57)
Add : Loss for the year	**(24,319.30)**	(22,173.87)
Closing balance	**(234,718.74)**	(210,399.44)

10 CURRENT BORROWINGS

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Unsecured		
Loan from related parties[(a)]	**235,438.41**	213,065.97
TOTAL :	**235,438.41**	213,065.97

(a) For terms and conditions with related parties, refer Note 18.

11 TRADE PAYABLES

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises	**29.74**	-
Dues to other than micro enterprises and small enterprises	**130.37**	185.62
TOTAL :	**160.11**	185.62

Trade payables ageing schedule

(In ₹ Thousands)

	Outstanding for following periods from due date of payment					
	Unbilled*	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31st March, 2026						
Undisputed dues to MSME	**-**	**29.74**	**-**	**-**	**-**	**29.74**
Undisputed dues to other than MSME	**90.00**	**40.37**	**-**	**-**	**-**	**130.37**
Disputed dues to MSME	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues to other than MSME	**-**	**-**	**-**	**-**	**-**	**-**
	90.00	**70.11**	**-**	**-**	**-**	**160.11**
As at 31st March, 2025						
Undisputed dues to MSME	-	-	-	-	-	-
Undisputed dues to other than MSME	88.00	97.62	-	-	-	185.62
Disputed dues to MSME	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-
	88.00	97.62	-	-	-	185.62

* Unbilled represents accrual of expenses

12 OTHER CURRENT LIABILITIES

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	**205.82**	185.26
TOTAL :	**205.82**	185.26

13 OTHER INCOME

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Sundry Balance Written Back	**2.65**	13.81
	2.65	13.81

14 FINANCE COSTS

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on borrowings	**22,141.17**	20,049.14
Other interest	**1.91**	-
TOTAL :	**22,143.08**	20,049.14

15 DEPRECIATION AND AMORTIZATION EXPENSES

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
On property, plant and equipment	**2,014.07**	2,014.07
On intangible assets	**-**	-
TOTAL :	**2,014.07**	2,014.07

16 OTHER EXPENSES

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Legal and professional fees	**64.63**	34.23
Payment to auditors (Refer details below)	**100.00**	90.00
Miscellaneous expenses#	**0.17**	0.24
TOTAL :	**164.80**	124.47

Miscellaneous Expenses include bank charges, office expenses, etc.

Payment to auditors

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
As auditor		
- Audit fee	**75.00**	65.00
Income tax matters	**25.00**	25.00
TOTAL :	**100.00**	90.00

17 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is engaged in the business of developing weapon systems with primary focus on artillery and mortar systems of all calibres; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit/(loss) as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit/(loss) of the sole reportable segment.

18 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Holding Company :	Bharat Forge Limited
Enterprises having significant influence over the Company :	Elbit Systems Land and C4I Limited, Israel.
Fellow Subsidiary Company :	Kalyani Strategic Systems Limited
Key Managerial Personnel :	Mr. Rajendra Singh Bhatia, Director Mr. Neelesh Tungar, Director Mr. Shai Isareal Cohen, Director Mr. Yehuda Vered, Director

(ii) Related parties with whom transactions have taken place during the year (In ₹ Thousands)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Note Ref.	Year ended 31st March, 2026	Year ended 31st March, 2025
1	Reimbursement of expenses paid	**Holding Company**			
		Bharat Forge Limited	(a)	**2,414.83**	2,009.41
2	Interest on Borrowings	**Holding Company**			
		Bharat Forge Limited	(b)	**20,073.58**	18,153.80
		Fellow Subsidiary Company			
		Kalyani Strategic Systems Limited	(c)	**2,067.59**	1,895.34
3	Loan taken	**Holding Company**			
		Bharat Forge Limited	(d)	**2,445.39**	2,080.33

(iii) Terms and conditions of transactions with related parties

a) Reimbursement of costs paid to/received from related parties are at cost.

b) Intercorporate loan taken from the Holding Company is unsecured, repayable on demand and carries interest @ 10% p.a.

c) Intercorporate loan taken from other related party is unsecured, repayable on demand and carries interest @ 9.70% p.a.

d) All other transactions are in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

(iv) Balances outstanding (In ₹ Thousands)

Sr. no.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	Demand Loan (including interest payable on these loans)	**Holding Company**		
		Bharat Forge Limited	**213,101.63**	192,590.02
		Fellow Subsidiary Company		
		Kalyani Strategic Systems Limited	**22,336.78**	20,475.95

19 EARNINGS PER SHARE (EPS)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Loss for the year attributable to shareholders (In ₹ Thousands)	**(24,319.30)**	(22,173.87)
Weighted average number of equity shares for basic EPS	**1,980,408**	1,980,408
Weighted average number of equity shares for diluted EPS	**1,980,408**	1,980,408
EPS - Basic (in ₹)	**(12.28)**	(11.20)
EPS - Diluted - (in ₹)	**(12.28)**	(11.20)

20 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment

calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

21 FINANCIAL INSTRUMENTS BY CATEGORY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments :

(In ₹ Thousands)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I) Financial assets	**-**	-	**-**	-
II) Financial liabilities				
Measured at amortised costs				
Borrowings	**235,438.41**	213,065.97	**235,438.41**	213,065.97
Total	**235,438.41**	213,065.97	**235,438.41**	213,065.97

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

22 FAIR VALUE HIERARCHY

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

23 FINANCIAL RISK MANAGEMENT DISCLOSURE

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include deposits, cash and cash equivalents.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, etc.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities denominated in foreign currency.

ii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, other receivables and deposits and other financial instruments.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ Thousands)

	Less than 1 year	1 year to 5 years	> 5 years	Total
As at 31st March, 2026				
Borrowings	**235,438.41**	**-**	**-**	**235,438.41**
Trade payables	**160.11**	**-**	**-**	**160.11**
	235,598.52	**-**	**-**	**235,598.52**
As at 31st March, 2025				
Borrowings	213,065.97	-	-	213,065.97
Trade payables	185.62	-	-	185.62
	213,251.59	-	-	213,251.59

24 GOING CONCERN

The Company has incurred losses of ₹ 24,319.30 thousands (31st March, 2025 : 22,173.87 thousands) during the year. As at 31st March, 2026, the Company's accumulated losses are ₹ 234,718.74 thousands (31st March, 2025 : ₹ 210,399.44 thousanda) which have completely eroded the net worth of the Company. The Company also has net current liabilities of ₹ 2,35,775.93 thousand as at 31st March, 2026 (31st March, 2025 : ₹ 213,408.44 thousand). The management is confident of streamlining the operations so as to start generating profits. The Company has received funding from the Holding Company and a Fellow Subsidiary Company in the form of demand loans. In addition, the Holding Company has indicated it's continued financial support to the Company to enable it to meet its liabilities and continue its operations in the normal course of business. In view of the above, the financial statements have been prepared on a going concern basis. However, the Company's ability to continue as a going concern is dependent on the successful achievement of the expected results and continued support from the Holding Company.

25 INCOME TAX

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025:

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Accounting loss before tax	**(24,319.30)**	(22,173.87)
At India's enacted tax rate of 26.00% (31st March, 2025: 26%)	**-**	-
Deferred tax savings on current year accounting loss	**(6,323.02)**	(5,765.21)
Tax effect of non-deductible expenses	**0.50**	-
Deferred tax assets not recognised	**6,322.52**	5,765.21
At the effective income tax rate of 26% (31st March, 2025: 26%)	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

b) The Company has carried forward business loss ₹ 99,506.61 thousands (31st March, 2025 : ₹ 77,231.62 thousands) and unabsorbed depreciation of ₹ 16,224.05 thousands (31st March, 2025 : ₹ 13,801.53 thousands). Business losses will expire in 8 years and may not be used to offset taxable income. The Company neither has any material taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Company was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by ₹ 30,560.57 thousands (31st March, 2025 ₹ 24,238.05 thousands).

26 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(In ₹ Thousands)

		As at 31st March, 2026	As at 31st March, 2025
(i)	Principal amount due to suppliers under MSMED Act, 2006	**29.74**	-
(ii)	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	**1.91**	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	**-**	-
(iv)	Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	**-**	-
(v)	Interest paid to suppliers under MSMED Act, 2006 (Section 16)	**-**	-
(vi)	Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	**-**	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	**1.91**	-

27 RATIO ANALYSIS

	Numerator	Denominator	31st March, 2026	31st March, 2025	Variance %
(a) Current ratio	Current Assets	Current Liabilities	0.00	0.00	-
(b) Trade payables turnover ratio	Purchases + Other expenses	Average trade payables	0.95	0.80	19.65

Notes :

(i) Since the Company has negative net worth and lossess during the current financial year as well as for previous financial year and Revenue from Operations is NIL following rations can not be derived.

Return on equity ratio

Net profit ratio

Net capital turnover ratio

Return on capital employeed

inventory Turnover Ratio

Debt Equity ratio

Debt service Coverage ratio

Trade Receivable ratio

Return on investment ratio

28 OTHER STATUTORY INFORMATION

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

(g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and accordingly the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility. However, The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953YEWLLR6330

Place : Pune
Date : 6th May, 2026

On behalf of the Board of Directors of
BF Elbit Advanced Systems Private Limited

Neelesh Tungar
Director
DIN: 05229865

Rajinder Singh Bhatia
Director
DIN: 05333963

Place : Pune
Date : 6th May, 2026

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BF Industrial Solutions Limited

Registered Office

S No. 49, Industry House, Opp. Kalyani Steels Ltd., Mundhwa, Pune 411 036

Independent Auditors' Report

To the Members of
BF Industrial Solutions Limited
(formerly known as BF Industrial Solutions Private Limited)
(formerly known as Nouveau Power and Infrastructure Private Limited)

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS financial statements of BF Industrial Solutions Limited (formerly known as BF Industrial Solutions Private Limited) (formerly known as Nouveau Power and Infrastructure Private Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year ended, and notes to the Ind AS financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

2. (A) As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations as at 31 March 2026 which would impact its Ind AS financial statements;

ii. The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that to the best of its knowledge and belief, other than those disclosed in note 32(l) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. In our opinion and based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail

(edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

(C) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to its directors during the year.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026

UDIN: 26107739XURLQB7027

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of BF Industrial Solutions Limited (formerly known as BF Industrial Solutions Private Limited) (formerly known as Nouveau Power and Infrastructure Private Limited) on the Ind AS financial statements for the year ended 31 March 2026)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment, by which all the Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) The Company has not revalued its Property, Plant and Equipment during the year. The Company does not have any Right of Use assets or intangible assets.

(d) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, the Company does not hold any inventories. Accordingly, the paragraph 3 (ii) (a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from banks or financial institutions. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations given to us, the Company has invested in its subsidiary during the year. The investments so made are not prejudicial to the Company's interest.

The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) (a), (c), (d), (e) and (f) of the Order insofar as it relates to loans, advances in nature of loan or guarantee or security are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has invested in securities of other entity and has complied with the provisions of section 186 of the Act. The Company has not granted any loans or provided guarantee or security to which the provisions of section 185 or section 186 of the Act apply.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules made there under relating to the acceptance of deposits are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the activities of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax, Goods and Services Tax, Provident Fund and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employee State Insurance, Sales Tax, Service Tax, Duty of Custom, Duty of Excise and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Income Tax and other material statutory dues were in arrears as at 31 March 2026, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Services Tax, Provident Fund and other statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transactions which were not recorded in books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not availed any loans from banks or financial institutions. Accordingly, paragraph 3 (ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lenders.

(c) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year. Accordingly, paragraph 3 (ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not availed any loans on short term basis during the year. Accordingly, paragraph 3 (ix) (d) of the Order is not applicable to the Company.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from entities or persons to meet the obligations of its subsidiaries. The Company does not have any joint venture or associate companies.

(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or optionally convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards, have been disclosed in the financial statements. The provisions of Section 177 are not applicable to the Company.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have reviewed the reports of the internal auditors for the period under audit, however we have not placed reliance on the work done by the internal auditor.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to register itself under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) (a), (b) and(c) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Group (as per the provisions of Core Investment Companies (Reserve Bank) Directions,2016) has more than one CIC as part of the Group. The Company has two CICs as part of the Group.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year. However during the immediately preceding financial year the Company incurred cash losses of ₹ 2.95 million.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 32 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, the Company has not transferred the unspent amount in accordance with the second proviso to sub-section (5) of section 135 of the Act till the date of this report. However, the time period for such transfer i.e. six months from the end of the financial year as allowed under second proviso to sub-section (5) of section 135 of the Act has not elapsed till the date of this report.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount required to be transferred to a special account in accordance with the provisions sub-section (6) of section 135 of the Act.

(xxi) The paragraph 3 (xxi) of the Order is not applicable to the financial statements of the Company.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026

UDIN: 26107739XURLQB7027

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of BF Industrial Solutions Limited (formerly known as Nouveau Power and Infrastructure Private Limited) on the Ind AS financial statements for the year ended 31 March 2026)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BF Industrial Solutions Limited ("the Company") (formerly known as BF Industrial Solutions Private Limited) (formerly known as Nouveau Power and Infrastructure Private Limited) as of 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting ("IFC-FR") criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026

UDIN: 26107739XURLQB7027

Balance Sheet

as at 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	**3**	**0.01**	0.03
Financial assets			
(i) Investments in subsidiaries	**4**	**5,453.98**	5,163.98
Income tax assets	**21**	**4.20**	2.55
		5,458.19	5,166.56
Current assets			
Financial assets			
(i) Trade receivables	**5**	**11.18**	3.93
(ii) Cash and cash equivalents	**6**	**7.38**	3.36
(iii) Other bank balances	**6**	**-**	3.70
(iv) Other current financial assets	**7**	**-**	118.77
(v) Other current assets	**8**	**0.15**	-
		18.71	129.76
		5,476.90	5,296.32

Balance Sheet

as at 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Equity and liabilities			
Equity			
Share capital	**9**	**3,526.55**	3,410.55
Instruments entirely equity in nature	**9**	**1,500.00**	1,500.00
Other equity	**10**	**147.35**	266.55
		5,173.90	5,177.10
Non-current liabilities			
Financial liabilities			
(i) Derivative instruments	**11**	**294.72**	**-**
		294.72	-
Current liabilities			
Financial liabilities			
(i) Trade payables	**12**		
- due to micro enterprises and small enterprises		-	-
- due to others		**0.74**	1.73
(ii) Other financial liabilities	**13**	**-**	114.95
(iii) Other current liabilities	**14**	**7.54**	2.54
		8.28	119.22
		5,476.90	5,296.32
Material accounting policies	**1-2**		
Notes to the Ind AS financial statements	**3-33**		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739XURLQB7027

For and on behalf of the board of directors of
BF Industrial Solutions Limited

Sumeet Banga
Director and Chief Executive Officer
DIN: 07472953
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Guruprasad Vaidya
Chief Financial Officer
Place: Pune
Date : 30 April 2026

Arti Rohra
Company Secretary
Place: Pune
Date : 30 April 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Income			
Revenue from operations	15	39.89	17.01
Other income	16	2.22	8.57
Total income		42.11	25.58
Expenses			
Employee benefit expenses	17	28.59	11.13
Finance costs	18	3.27	12.87
Depreciation and amortisation	19	0.02	0.02
Other expenses	20	303.00	5.67
Total expenses		334.88	29.69
Loss before tax		(292.77)	(4.11)
Tax expenses	21		
Current tax		-	-
Deferred tax		-	-
Earlier year taxes		0.43	-
		0.43	-
Loss for the year		(293.20)	(4.11)
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent periods		-	-
Items that will be reclassified to Statement of Profit and Loss in subsequent periods		-	-
Other comprehensive loss for the year		-	-
Total comprehensive profit for the year		(293.20)	(4.11)
Basic and diluted loss per equity share of face value Rupees 10/- each	22	(0.85)	(0.01)
Material accounting policies	1-2		
Notes to the Ind AS financial statements	3-33		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739XURLQB7027

For and on behalf of the board of directors of
BF Industrial Solutions Limited

Sumeet Banga
Director and Chief Executive Officer
DIN: 07472953
Place: Pune
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DIN: 07055747
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Chief Financial Officer
Place: Pune
Date : 30 April 2026

Arti Rohra
Company Secretary
Place: Pune
Date : 30 April 2026

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
A)	**Cash flow from operating activities**		
	Loss before tax	**(292.77)**	(4.11)
	Adjustment to reconcile loss before tax to net cash flows :		
	Finance costs	**3.27**	12.87
	Interest income	**(2.10)**	(8.49)
	Depreciation	**0.02**	0.02
	Loss on fair value of derivative instrument	**294.72**	-
	Operating profit before working capital changes	**3.14**	0.29
	Movements in working capital:		
	Increase in trade receivables	**(7.25)**	(3.93)
	Decrease in other non-current financial assets	**-**	109.10
	Increase/(decrease) in other current financial assets	**118.77**	(118.77)
	Decrease in other current assets	**(0.15)**	-
	(Increase)/decrease in trade payables	**(0.99)**	1.45
	Increase in other current liabilities	**5.00**	1.45
	(Increase)/decrease in other financial liabilities	**(118.22)**	102.08
	Working capital adjustments	**(2.84)**	91.38
	Cash (used in)/generated from operations	**0.30**	91.67
	Direct taxes paid (net of refund)	**(2.08)**	(0.31)
	Net cash (used in)/generated from operating activities	**(1.78)**	91.36
B)	**Cash flows from investing activities**		
	Investment in subsidiary	**(290.00)**	(282.89)
	Interest income	**2.10**	8.49
	Net cash used in investing activities	**(287.90)**	(274.40)
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity shares (including securities premium)	**290.00**	180.00
	Net cash generated from financing activities	**290.00**	180.00
	Net decrease in cash and cash equivalents	**0.32**	(3.04)
	Cash and cash equivalents at beginning of the year	**7.06**	10.10
	Cash and cash equivalents at end of the year	**7.38**	7.06

		31 March 2026	31 March 2025
D) Components of cash and cash equivalents			
Cash in hand		-	-
Balances with banks:			
In current accounts		**7.38**	3.36
Deposits with bank having original maturity more than three months and remaining maturity less than 12 months		-	3.70
Total cash and cash equivalents (also refer note 7)		**7.38**	7.06
Material accounting policies	**1-2**		
Notes to the Ind AS financial statements	**3-33**		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739XURLQB7027

For and on behalf of the board of directors of
BF Industrial Solutions Limited

Sumeet Banga
Director and Chief Executive Officer
DIN: 07472953
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Guruprasad Vaidya
Chief Financial Officer
Place: Pune
Date : 30 April 2026

Arti Rohra
Company Secretary
Place: Pune
Date : 30 April 2026

Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

(A) Equity share capital

Equity shares of face value of ₹ 10 each issued, subscribed and paid up

Notes	Amount
As at 01 April 2024	3,332.29
Issue of fully paid equity shares of ₹ 10 each	78.26
As at 31 March 2025	3,410.55
As at 01 April 2025	**3,410.55**
Issue of fully paid equity shares of ₹ 10 each	**116.00**
As at 31 March 2026	**3,526.55**

(B) Instruments entirely equity in nature

Notes	Amount
As at 01 April 2024	1,500.00
Issue of fully paid compulsorily convertible preference shares of ₹ 10 each	-
As at 31 March 2025	1,500.00
As at 01 April 2025	**1,500.00**
Issue of fully paid compulsorily convertible preference shares of ₹ 10 each	**-**
As at 31 March 2026	**1,500.00**

(C) Other equity

	Share application money pending allotment	Securties premium	Retained earnings	Total
Balance as at 1 April 2024	-	(415.00)	(661.08)	168.92
- Proceeds from issue of equity shares	180.00	101.74	-	281.74
- Allotment of equity shares	(180.00)	-	-	(180.00)
- Loss for the year	-	-	(4.11)	(4.11)
Balance as at 31 March 2025	-	(313.26)	(665.19)	266.55
Balance as at 1 April 2025	**-**	**(313.26)**	**(665.19)**	**266.55**
- Proceeds from issue of equity shares	**116.00**	**174.00**	**-**	**290.00**
- Allotment of equity shares	**(116.00)**	**-**	**-**	**(116.00)**
- Loss for the year	**-**	**-**	(293.20)	**(293.20)**
Balance as at 31 March 2026	**-**	**(139.26)**	**(958.39)**	**147.35**

Material accounting policies	**1-2**
Notes to the Ind AS financial statements	**3-33**

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739XURLQB7027

For and on behalf of the board of directors of
BF Industrial Solutions Limited

Sumeet Banga
Director and Chief Executive Officer
DIN: 07472953
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Guruprasad Vaidya
Chief Financial Officer
Place: Pune
Date : 30 April 2026

Arti Rohra
Company Secretary
Place: Pune
Date : 30 April 2026

Notes to the Ind AS Financial Statements

for the year ended 31 March 2026

1. CORPORATE INFORMATION

BF Industrial Solutions Limited (formerly known as BF Industrial Solutions Private Limited) ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The name of the Company was changed to BF Industrial Solutions Private Limited during the year and subsequently to BF Industrial Solutions Limited. The Company also provides management and marketing services to its group Companies. Bharat Forge Limited ('BFL') is the Holding Company. The registered office of the Company is located at Mundhwa, Pune. The Company's CIN is U74909PN2011PLC138621. The financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 30 April 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Summary of material accounting policies

a) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Functional currencies

The Company's financial statements are presented in Indian Rupees, which is also its functional currency.

c) Investment in subsidiaries

The Company has accounted for its investment in subsidiaries at cost less accumulated impairment [Refer note 2.2(g)].

d) Fair value measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received on sell of 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Quantitative disclosures of fair value measurement hierarchy (note 30)
- Investment in unquoted equity shares (note 4)
- Financial instruments (including those carried at amortised cost) (note 30)

e) Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of services

Revenue from sale of services are recognized when the services are rendered. The normal credit period is 60 days.

Interest income

For all debt instruments measured either at amortized cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the Statement of Profit and Loss.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.2 (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in form of advance from customer (or an amount of consideration is due). If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognized as revenue when the Company performs the obligation as per the contract.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). Deferred tax items are recognized 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.

g) Impairment of non-financial assets

The Company assesses, at each reporting date, 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) fair value less costs of disposal and its value in use. 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 group of assets. When 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.

Impairment of non-financial assets

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 fair value less costs of disposal, recent market transactions are taken

into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or country or countries in which the entity operates or for the market in which the asset is used.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

If such indication exists, the Company estimates the asset's or CGU'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 exceeds 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 Statement of Profit and Loss.

h) Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

i) 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.

Financial assets

Initial recognition and measurement

All financial assets are recognized 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 and other receivables arising as a result of transactions within scope of Ind AS 115 are initially recorded at transaction price.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss ('FVTPL')
- Equity instruments measured at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL')

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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.

This category is the most relevant to the Company. 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 other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

(a) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are measured at FVTOCI

(c) Lease receivables under Ind AS 116

(d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e. all cash shortfalls), 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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. 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.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase / origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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.

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 financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 Statement of Profit and Loss.

This category generally applies to borrowings.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to

settle on a net basis, to realize the assets and settle the liabilities simultaneously.

j) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

k) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalized at cost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on :

- useful lives determined based on internal technical evaluation,
- residual value of respective assets, which are not more than 5% of the original cost of the asset.

Type of asset	Schedule II life (years)	Useful lives estimated by the management (years)
Computers	3	3

The Company, based on technical assessment made by a technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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.

An item of property, plant and equipment and any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(l) Dividend to equity holders of the Company

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

2.3 New amendments issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2026, MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements relating to the classification of liabilities subject to covenant breaches applicable to the Company w.e.f 1 April 2026. The Company has reviewed the new pronouncement and based on its evaluation has determined that it does not have any impact on the financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identifying contracts with customers

Management has exercised judgement to determine contract with customers for the purpose of Ind AS 115 and for identification of performance obligations and other associated terms.

b) Identifying performance obligation

The Company enters into contract with customers for goods and services. The Company determined that both the goods and services are capable of being distinct. The Company also determined that the promises to transfer these goods and services are distinct within the context of the contract.

c) Determination of timing of satisfaction of performance obligation

The Company concluded that services to be recognised over a period of time because it does not meet the criteria for recognising revenue at a point of time. The Company has applied judgement based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India.

3) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

(All amounts are in Indian Rupees millions, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENTS

Particulars	Computers	Total
Gross block		
Balance as at 01 April 2024	0.06	0.06
Additions		-
Disposals	-	-
Balance as at 31 March 2025	0.06	0.06
Balance as at 01 April 2025	**0.06**	**0.06**
Additions	**-**	**-**
Disposals	**-**	**-**
Balance as at 31 March 2026	**0.06**	0.06
Accumulated depreciation		
Balance as at 01 April 2024	0.01	0.01
Depreciation for the year	0.02	0.02
Accumulated depreciation on disposals	-	-
Balance as at 31 March 2025	0.03	0.03
Balance as at 01 April 2025	**0.03**	**0.03**
Depreciation for the year	**0.02**	**0.02**
Accumulated depreciation on disposals	**-**	**-**
Balance as at 31 March 2026	**0.05**	**0.05**
Net block		
Balance as at 31 March 2026	**0.01**	**0.01**
Balance as at 31 March 2025	0.03	0.03

4 INVESTMENT IN SUBSIDIARIES

(at cost, unless other wise stated)

	31 March 2026	31 March 2025
Unquoted		
9,00,50,000* (2025 : 9,00,50,000) equity shares of face value of ₹ 10 each of BF Industrial Technology & Solutions Limited	**900.50**	900.50
47,73,314* (2025 : 45,92,063) equity shares of face value of ₹ 10 each of J S Auto Cast Foundry India Private Limited	**4,553.48**	4,263.48
	5,453.98	5,163.98

*including shares held by nominees of the Company

(All amounts are in Indian Rupees millions, unless otherwise stated)

5 TRADE RECEIVABLES

	31 March 2026	31 March 2025
Unsecured (undisputed)		
Considered good	**11.18**	3.93
Significant increase in credit risk	**-**	-
Credit impaired	**-**	-
Less : Impairment allowance (including allowance for bad debts and expected credit loss)	**-**	-
	11.18	3.93
	11.18	3.93

Trade receivables ageing schedule

As at 31 March 2026

Particulars	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and							
-considered good	**11.18**	**-**	**-**	**-**	**-**	**-**	**11.18**
- which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- loss allowances	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**11.18**	**-**	**-**	**-**	**-**	**-**	**11.18**

As at 31 March 2025

Particulars	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and							
-considered good	-	3.93	-	-	-	-	3.93
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
- loss allowances	-	-	-	-	-	-	-
Total	-	3.93	-	-	-	-	3.93

(All amounts are in Indian Rupees millions, unless otherwise stated)

6 CASH AND BANK BALANCES

	31 March 2026	31 March 2025
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
- in current accounts (refer note below)	**7.38**	3.36
	7.38	3.36

Note: The balance of cash and cash equivalents includes an amount lying in an escrow account. The Company is in the process of completing the necessary procedural formalities for closure of the escrow account, subsequent to which the said balance will be transferred to the regular bank account.

Other bank balances		
Fixed deposits with original maturity more than three months and remaining maturity less than 12 months	-	3.70
	-	3.70

Details of bank balances/deposits		
Bank balances available on demand	**7.38**	3.36
Fixed Deposits with bank having original maturity more than three months and remaining maturity less than 12 months	-	3.70
Other bank balances (including Escrow accounts)	-	102.63
	7.38	109.69

7 OTHER CURRENT FINANCIAL ASSETS

	31 March 2026	31 March 2025
Balance in escrow account (refer note 7.1)	-	102.63
Interest accrued but not received on escrow account	-	16.14
	-	118.77

Note 7.1 : Balance in escrow account

During the financial year 2022-2023, Bharat Forge Limited through the Company had entered into a share purchase agreement with the shareholders of J S Autocast Foundry India Private Limited ("JSA") to purchase 39,68,330 equity shares for a total consideration of ₹ 3,460.98 millions as on 01 July 2022. In accordance with the aforementioned share purchase agreement, out of the total purchase consideration a sum of ₹ 100.00 millions was payable to the erstwhile shareholders of JSA after a period of 3 years from the date of purchase and the amount so payable was to be deposited in a separate Escrow account to be maintained with ICICI Bank Limited. Also, in accordance with the Escrow agreement, the balance in aforementioned Escrow account is restricted and not available for general use by the Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

8 OTHER CURRENT ASSETS

	31 March 2026	31 March 2025
Prepaid expenses	**0.15**	-
	0.15	-

9 SHARE CAPITAL

	31 March 2026	31 March 2025
Authorised capital:		
50,50,00,000 equity shares of ₹10 each (31 March 2025: 50,50,00,000)	**5,050.00**	3,550.00
15,00,00,000 8% compulsorily convertible preference shares of ₹ 10 each (31 March 2025: 15,00,00,000)	**1,500.00**	1,500.00
	6,550.00	5,050.00
Issued, subscribed and paid up capital:		
(A) Equity share capital		
35,26,55,198 equity shares of ₹10 each fully paid up (31 March 2025: 34,10,55,198)	**3,526.55**	3,410.55
(B) Instruments entirely equity in nature		
15,00,00,000 8% compulsorily convertible preference shares of ₹ 10 each fully paid up (31 March 2025 : 15,00,00,000) (refer note 9.5)	**1,500.00**	1,500.00
	5,026.55	**4,910.55**

9.1 Rights, preference and restrictions attached to the shares

Equity Share Capital

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Share Capital

The non-cumulative, compulsorily convertible preference shares ('CCPS') having a par value of ₹ 10 per share carries a coupon rate of 8% and are convertible into equity shares of the Company after a period of 10 years from the date of issue in the ratio of 1:1 (i.e) 1 equity share for 1 CCPS at par. The CCPS do not carry any voting rights and have a preference over equity shares for payment of dividend and repayment of capital.

(All amounts are in Indian Rupees millions, unless otherwise stated)

9.2 Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	31 March 2026		31 March 2025	
	Number of shares	**Amount (Rs. million)**	Number of shares	Amount (₹ million)
Equity share capital				
At the beginning of the year	**341,055,198**	**3,410.55**	333,229,111	3,332.29
Issued during the year *	**11,600,000**	**116.00**	7,826,087	78.26
Outstanding at the end of the year	**352,655,198**	**3,526.55**	341,055,198	3,410.55
Instruments entirely equity in nature Preference share capital				
At the beginning of the year	**150,000,000**	**1,500.00**	150,000,000	1,500.00
Issued during the year (refer note 9.5)	**-**	**-**	-	-
Outstanding at the end of the year	**150,000,000**	**1,500.00**	150,000,000	1,500.00

*During the year, the Company offered 1,16,00,000 equity shares to the shareholders via a right issue. The right issue was fully subscribed, accordingly the Company allotted 1,16,00,000 equity shares of face value of ₹ 10.00 each at an issue price of ₹ 25.00 per equity share, i.e. at a premium of ₹ 15.00 per equity share on 22 Janurary 2026.

9.3 Details of shareholders holding more than 5% shares are set out below

Particulars	31 March 2026		31 March 2025	
	Number of shares	**Holding %**	Number of shares	Holding %
Equity share capital				
Bharat Forge Limited*	**352,655,198**	**100%**	341,055,198	100%
	352,655,198	**100%**	341,055,198	100%
Preference share capital				
Bharat Forge Limited*	**150,000,000**	**100%**	150,000,000	100%
	150,000,000	**100%**	150,000,000	100%

*including shares held by nominees of the Holding Company.

9.4 Details of shares held by the holding Company

Particulars	31 March 2026		31 March 2025	
	Number of shares	**Holding %**	Number of shares	Holding %
Equity share capital				
Bharat Forge Limited*	**352,655,198**	**100%**	341,055,198	100%
	352,655,198	**100%**	341,055,198	100%
Preference share capital				
Bharat Forge Limited*	**150,000,000**	**100%**	150,000,000	100%
	150,000,000	**100%**	150,000,000	100%

*including shares held by nominees of the Holding Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

9.5 Details of terms of securities convertible into equity shares

During the financial year 2022-2023, the Company had issued 150,000,000 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 10 each via a rights issue. Bharat Forge Limited, ('the holding Company') subscribed to the rights issue. The details of terms of securities were as follows :

(a) CCPS carries coupon rate of 8%;

(b) CCPS is convertible into equity shares after a period of 10 years from the date of issue in the ratio of 1:1 (i.e) 1 equity share for 1 CCPS at par.

(c) The CCPS do not carry any voting rights and have a preference over equity shares for payment of dividend and repayment of capital.

9.6 Details of shareholdings of promoters

Name of promoter	**Number of shares held as on 31 March 2026**	**% of total shares**	**% change during the year ended 31 March 2025**
Equity shares			
Bharat Forge Limited*	**352,655,198**	**100.00%**	**-**
Preference shares			
Bharat Forge Limited	**150,000,000**	**100.00%**	**-**

Name of promoter	Number of shares held as on 31 March 2025	% of total shares	% change during the year ended 31 March 2025
Equity shares			
Bharat Forge Limited*	341,055,198	100.00%	-
Preference shares			
Bharat Forge Limited	150,000,000	100.00%	-

*including shares held by nominees of the Holding Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

10 OTHER EQUITY

	31 March 2026	31 March 2025
Securities premium		
As as the beginning of the year	**309.24**	207.50
Addition during the year	**174.00**	101.74
	483.24	309.24
Retained earnings		
As at the beginning of the year	**(42.69)**	(38.58)
Loss for the year	**(293.20)**	(4.11)
	(335.89)	(42.69)
	147.35	266.55

11 DERIVATIVE INSTRUMENTS

	31 March 2026	31 March 2025
Fair value of put option (refer note below)	**294.72**	-
	294.72	-

Note: During the year, J S Autocast Foundry India Private Limited ('JSA'), subsidiary of the Company, entered into a Share Purchase Agreement ('SPA') with PI Opportunities Fund I Scheme II ('investor') for raising ₹ 3,000 million by way of fresh issue of Equity Shares and Compulsorily Convertible Preference Shares ('CCPS') (together referred to as 'the investment') on private placement basis. The Company is a party to the SPA and has written a put option in favour of the investor to provide a full exit from the investment in case JSA fails to bring an Initial Public Offer of its shares within 5 years or fails to facilitate a secondary sale of its shares to other interest parties within 7 years from the date of investment. This put option has been classified as a derivative financial liability in accordance with Ind AS 109, Financial Instruments and measured at fair value through profit or loss (FVTPL).

(All amounts are in Indian Rupees millions, unless otherwise stated)

12 TRADE PAYABLES

	31 March 2026	31 March 2025
Due to micro enterprises and small enterprises ("MSME") (refer note 28)	-	-
Due to others	**0.74**	1.73
	0.74	1.73

Trade Payable ageing schedule

As on 31 March 2026

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
- MSME	-	-	-	-	-
- Others	**0.58**	-	-	-	**0.58**
Disputed					
- MSME	-	-	-	-	-
-Others	-	-	-	-	-
Unbilled dues*	**0.16**	-	-	-	**0.16**
	0.74	-	-	-	**0.74**

As on 31 March 2025

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
- MSME	-	-	-	-	-
- Others	0.40	-	-	-	0.40
Disputed					
- MSME	-	-	-	-	-
-Others	-	-	-	-	-
Unbilled dues*	1.33	-	-	-	1.33
	1.73	-	-	-	1.73

* Unbilled dues represents provisions for expenses accounted for.

(All amounts are in Indian Rupees millions, unless otherwise stated)

13 OTHER FINANCIAL LIABILITIES

	31 March 2026	31 March 2025
Purchase consideration payable (refer note below)	-	98.81
Interest accrued but not due on purchase consideration (refer note below)	-	16.14
	-	114.95

Note :

* Amortised cost of consideration payable net of interest.

** Interest accrued but not due on purchase consideration represents the amount of interest received on the balance in escrow account that is transferable to the erstwhile shareholders of J S Auto Cast Foundry India Private Limited.

14 OTHER CURRENT LIABILITIES

	31 March 2026	31 March 2025
Statutory dues		
Withholding tax payable	**0.40**	1.03
Goods and services tax	**1.57**	0.32
Provident fund	**0.12**	0.12
Employee related liabilities	**5.45**	1.07
	7.54	2.54

(All amounts are in Indian Rupees millions, unless otherwise stated)

15 REVENUE FROM OPERATIONS

	31 March 2026	31 March 2025
Sale of services	**39.89**	17.01
	39.89	17.01
Note :		
Disaggregation of revenue on the basis of geographical markets		
Revenue from outside India	**-**	-
Revenue from within India	**39.89**	17.01
	39.89	17.01
(b) Revenue recognised from contract liabilities outstanding at the beginning of the year :		
(c) Reconciliation of the revenue as per contracted price with revenue recognised in the Statement of Profit and Loss :		
Revenue from operations		
Add/less : Loss/(gain) on forward contracts designated as cash flow hedge	**39.89**	17.01
Less : Export incentives from government	-	-
	-	-
Revenue from contract with customers		
Add : Discounts allowed to customers	**39.89**	17.01
Add : Sales rejections/returns	**-**	-
	-	-
Revenue as per contracted price		
	39.89	17.01

16 OTHER INCOME

	31 March 2026	31 March 2025
Interest income on deposits	**2.10**	8.49
Interest income on income tax refund	**0.12**	0.08
	2.22	8.57

17 EMPLOYEE BENEFIT EXPENSES

	31 March 2026	31 March 2025
Salaries and bonus	**27.26**	10.81
Contribution to provident fund	**0.81**	0.32
Staff welfare	**0.52**	-
	28.59	11.13

(All amounts are in Indian Rupees millions, unless otherwise stated)

18 FINANCE COST

	31 March 2026	31 March 2025
Interest on unwinding of other financial liabilities*	**1.19**	4.71
Interest on escrow account	**2.08**	8.16
	3.27	12.87

*refer note 7.1

19 DEPRECIATION

	31 March 2026	31 March 2025
Depreciation on property, plant and equipment	**0.02**	0.02
	0.02	0.02

20 OTHER EXPENSES

	31 March 2026	31 March 2025
Legal and professional fees	**4.17**	4.23
Rates and taxes	**0.07**	0.04
Expenditure towards Corporate Social Responsibity ('CSR') (refer note 27)	**1.82**	1.13
Office and administration	**1.36**	-
Loss on fair value of derivative financial instrument (refer note 11)	**294.72**	-
Payment to auditors (refer note below)	**0.18**	0.20
Miscellaneous expenses	**0.68**	0.07
	303.00	5.67
Auditors' remuneration (on accrual basis, net of taxes)		
Statutory audit fees	**0.18**	0.20
	0.18	0.20

(All amounts are in Indian Rupees millions, unless otherwise stated)

21 INCOME TAX

	31 March 2026	31 March 2025
(A) Statement of profit and loss		
(i) Tax expenses recognised in Statement of Profit and Loss		
Current tax	-	-
Deferred tax	-	-
	-	-
(ii) Tax expenses recognised in Other Comprehensive income	-	-
	-	-
(B) Balance sheet		
Net non current income tax asset at the beginning	**2.55**	2.24
Current income tax expense	-	-
Income tax on other comprehensive income	-	-
Changes in estimates related to prior years	-	-
Income tax paid (net of refunds)	**1.65**	0.31
Net non current income tax asset at the end	**4.20**	2.55
(C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for respective year		
Loss before tax	**(293.20)**	(4.11)
Income tax rate	**25.17%**	25.17%
Expected income tax expense	**(73.80)**	(1.03)
(i) Non deductible expenses	**0.46**	0.28
(ii) Tax losses on which deferred tax was not recognised	**73.34**	0.75
Effective income tax	-	-

(D) Deferred tax

Ind AS 12 - Accounting for taxes on income, states that where an enterprise has unused tax losses and unused tax credits, deferred tax assets should be recognised only to the extent it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Accordingly, the Company has not recognised deferred tax asset on unused tax losses and unused tax credits since it is not probable that future taxable profits will be available against which the unused tax losses and credits will be utilised.

(All amounts are in Indian Rupees millions, unless otherwise stated)

22 EARNINGS PER SHARE

Loss per share has been computed as under :

Sr. No.	Particulars		31 March 2026	31 March 2025
A	Net loss after tax attributable to equity shareholders	₹ million	**(293.20)**	(4.11)
B	Weighted average number of equity shares outstanding during the year	Nos.	**343,216,294**	335,137,390
C	Nominal value of each share	in ₹	**10**	10
D	Basic loss per share (A/B)	in ₹	**(0.85)**	(0.01)

23 SEGMENT INFORMATION

Reportable segments

The Board of Directors have been identified as the Chief Operating Decision-Maker who examine the Company's performance from geographic perspective. The Chief Operating Decision Maker has identified only one reportable segment of "sale of services". Hence the revenue, expenses, results, assets and liabilities disclosed in the financial statements of the Company are allocable to one segment.

		31 March 2026	31 March 2025
Geographical information			
(i)	Segment revenue from customers		
	- within India	**39.89**	17.01
	- outside India	**-**	-
		39.89	17.01
(ii)	Segment assets		
	- within India	**5,476.90**	5,296.32
	- outside India	**-**	-
		5,476.90	5,296.32

24 CONTINGENT LIABILITIES

Contingent liabilities **(to the extent not provided for)**	**Nil**	Nil

25 CAPITAL AND OTHER COMMITMENTS

At 31 March 2026 (31 March 2025: Nil), the Company has a commitment for non-disposal of its investment in subsidiary J S Autocast Foundry Private Limited.

26 DISCLOSURE PURSUANT TO THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSME')

There are no amounts that needs to disclosed pertaining to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). As at 31 March 2026, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with appropriate authority under MSMED Act, 2006. (31 March 2025 : Nil)

(All amounts are in Indian Rupees millions, unless otherwise stated)

27 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company undertakes various activities that qualify as CSR expenditure in accordance with Schedule VII of the Companies Act, 2013. As per the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 1.82 millions (31 March 2025: ₹1.13 million) (based on 2% of average profit before tax of preceding 3 financial years), in pursuance to its Corporate Social Responsibility policy.The Company has spent ₹ 3.10 million (2025: nil) towards Corporate Social Responsibility activities. The break-up of expenditure incurred on Corporate Social Responsibility activities are as follows:

Particulars	31 March 2026	31 March 2025
(A) Gross amount required to be spent during the year	**1.82**	1.13
(B) Total of previous year shortfall remaining unspent	**1.13**	-
(C) Amount spent during the year (including out of previous year shortfall) in cash on :		
(i) construction / acquisition of any asset	**-**	-
(ii) on purposes other than (i) above	**3.10**	-
(D) (Excess)/ unspent at the end of the year	**(0.15)**	1.13

28 RELATED PARTY TRANSACTIONS

A. Enterprises exercising control over the Company

Bharat Forge Limited	Holding Company

B. Individuals exercising control over the Company

Vikram Munje	Director
Kedar Dixit	Director
Namarata Sanghavi	Company Secretary (upto 28 October 2025)
Guruprasad Vaidya	Chief Financial Officer
Ashwini Shivram	Additional Director
Sumeet Banga	Director / Chief Executive Officer
Arti Rohra	Company Secretary (from 29 October 2025)

C. Enterprises over which the Company or the Holding Company exercises control or significant influence :

BF Industrial Technology & Solutions Limited	Subsidiary of Company
J S Auto Cast Foundry India Private Limited	Subsidiary of Company
Sanghvi Europe B V	Step down foreign subsidiary

D. Transactions with the above related parties and balances as at and for the year :

Name of the related party and nature of transaction	31 March 2026		31 March 2025	
	Transactions during the year (Rs.)	**Balance receivable/ (payable) (Rs.)**	Transactions during the year (₹)	Balance receivable/ (payable) (₹)
Bharat Forge Limited				
Share application money pending allotment	**290.00**	**-**	180.00	-
Issue of equity shares (including securities premium)	**290.00**	**-**	180.00	-
Reimbursement of expenses	**-**	**-**	0.03	-
Trade payables *	**-**	**-**	-	(0.00)
BF Industrial Technology & Solutions Limited				
Sale of services	**6.85**	**-**	3.64	-
Reimbursement of expenses	**-**	**-**	0.06	-
Trade receivables	**-**	**0.39**	-	2.08
J S Auto Cast Foundry India Private Limited				
Sale of services	**33.04**	**-**	13.37	-
Investment in equity shares	**290.00**	**-**	180.00	-
Reimbursement of expenses	**-**	**-**	-	-
Trade receivables	**-**	**10.79**	-	1.85

* Amount less than ₹ 0.01 million.

29 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of trade payables and derivative instruments. The main purpose of these financial liabilities is to finance the Company's operations and investing decisions. The Company's principal financial assets include trade and other receivables, cash and bank balances that is derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(A) Market risks

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risks include trade receivables, trade payables, other financial assets and other financial liabilities.

(i) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities denominated in foreign currency.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial losses. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, other receivables and deposits and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. At 31 March 2026, the Company has ₹11.18 millions receivable from two customer which comprises of 100% of total trade receivable (31 March 2025 : 3.93 millions). An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in different jurisdictions and industries and operate in largely independent markets.

(ii) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2026 and 31 March 2025 is the carrying amounts as illustrated in the respective notes.

(C) Liquidity risks

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2026 and 31 March 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(All amounts are in Indian Rupees millions, unless otherwise stated)

The table below summarises the maturity profile of the Company's financial liabilities

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
31 March 2026				
Trade payables	**0.74**	**-**	**-**	**0.74**
Derivative instrument	**-**	**-**	**294.72**	**294.72**
Total	**0.74**	**-**	**294.72**	**295.46**

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
31 March 2025				
Trade payables	1.73	-	-	1.73
Other financial liabilities	114.95	-	-	114.95
Total	116.68	-	-	116.68

30 FAIR VALUE MEASUREMENT

A Financial instruments by category

The financial instruments are measured at Amortised cost or Fair Value through Profit and Loss ("FVTPL")

S.no	Particulars	31 March 2026		31 March 2025	
		FVTPL	**Amortised cost**	FVTPL	Amortised cost
	Financial assets				
(a)	Trade receivables	**-**	**11.18**	-	3.93
(b)	Cash and bank balances	**-**	**7.38**	-	3.36
(c)	Other financial assets	**-**	**-**	-	118.77
	Total financial assets	**-**	**18.56**	-	126.06
	Financial liabilities				
(a)	Trade payables	**-**	**0.74**	-	1.73
(b)	Other financial liabilities	**-**	**-**	-	114.95
(c)	Derivative instruments	**294.72**	**-**	-	-
	Total financial liabilities	**294.72**	**0.74**	-	116.68

Financial assets included above do not include investments in subsidiaries which are carried at cost and hence, are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. 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 prescribed under the accounting standard as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

(All amounts are in Indian Rupees millions, unless otherwise stated)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, trade payables, and all other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

31 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, preference shares and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants attached to the interest -bearing loans and borrowings (if any). To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has adopted the objectives, policies or processes of Bharat Forge Limited for managing capital during the year ended 31 March 2026.

32 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

(a) Title deeds of immovable property not held in name of the Company

The Company does not hold any immovable properties.

(b) Valuation of property, plant and equipment, intangible assets and investment property

The Company has not revalued any property, plant and equipment during the current year. The Company does not hold any intangible asset or investment property.

(c) Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

(d) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Reconciliation of returns or statements submitted with banks or financial institution

The Company does not have any borrowings from banks or financial institution, accordingly has not filled any periodical returns or statements with any banks or financial institution.

(f) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(g) Relationship with struck off Companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(h) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any creation or satifaction of charges to be registered with the Registrar of Companies during the current or previous financial year.

(i) Compliance with number of layers of companies

The Company has complied with the rules related to number of layers of subsidiary prescribed under the Act.

(j) Financial ratios:

Sr.no	Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a)	Current ratio	**2.26**	1.09	107.61%	Refer Note (i)
(b)	Debt-equity ratio	**-**	-	-	NA**
(c)	Debt service coverage ratio	**-**	-	-	NA**
(d)	Return on equity ratio	**(0.06)**	(0.00)	-	NA*
(e)	Inventory turnover ratio	**-**	-	-	NA**
(f)	Trade receivables turnover ratio	**5.28**	8.66	-39.01%	Refer Note (i)
(g)	Trade payables turnover ratio	**-**	-	-	NA*
(h)	Net capital turnover ratio	**3.80**	1.77	115.50%	Refer Note (ii)
(i)	Net profit ratio	**(7.35)**	(0.24)	2942.02%	Refer Note (iii)
(j)	Return on capital employed ratio	**(0.06)**	0.00	-	NA*
(k)	Return on investment ratio	**(0.06)**	(0.00)	-	NA*

NA* - variance in ratios is not more than 25%, accordingly no explaination for variance is detailed out.

NA** - the Company neither holds any inventories nor has any debts, accordingly the ratios are not aplicable.

Accounting Ratios formulas :

(a) Current Ratio = Current Assets / Current liabilities

(b) Debt-Equity Ratio = Total Debt / Total equity

(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

(d) Return on Equity Ratio = Profit for the year / Average equity

(e) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

(f) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables

(g) Trade payables turnover ratio = (Purchases + Other expenses) / Average Trade payables

(h) Net capital turnover ratio = Revenue from operations / Average Working Capital

(i) Net profit ratio = Loss for the year / Revenue from operations

(j) Return on Capital employed = EBIT / Capital employed (Total assets - Current liabilities)

(k) Return on investment = Loss for the year / (Debt + Total equity)

(All amounts are in Indian Rupees millions, unless otherwise stated)

Accounting Ratios explanation :

(i) The increase in trade receivables as at 31 March 2026 has resulted in significant changes in trade receivables turnover and current ratio.

(ii) During the year, revenue of Company has increased significantly, resulting increase in net capital turnover ratio.

(iii) Net profit ratio has increased significantly on account of recognition of loss arising from fair value measurement of derivative instrument.

(k) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(l) Utilisation of borrowed funds and share premium

Funds advanced or loaned or invested by the Company:

The Company has not advanced or granted any loan or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Funds received by the Company:

31 March 2026

During the year, the Company has received funds (via issue of equity shares) from Bharat Forge Limited ('BFL'), with the understanding that the Company shall invest the funds in its subsidiary J S Auto Cast Foudry India Private Limited ('JSA') for genral corporate purposes**.** The details of funds received and funds invested are mentioned below:

- ₹ 290.00 million received from issue of equity shares of the Company of ₹ 10 each at valuation of ₹ 25 per share;

- ₹ 290.00 million invested in JSA for general corporate purposes.

31 March 2025

During the year, the Company has received funds (via issue of equity shares) from Bharat Forge Limited ('BFL'), with the understanding that the Company shall invest the funds in its subsidiary J S Auto Cast Foudry India Private Limited ('JSA') for repayment of term loan which the later has availed from ICICI bank. The details of funds received and funds invested are mentioned below:

- ₹ 180.00 million received from issue of equity shares of the Company of ₹ 10 each at valuation of ₹ 23 per share;

- ₹ 180.00 million invested in JSA for repayment of term loan which the later has availed from ICICI bank.

The Company has not provided any guarantee, security or the like to or on behalf of the holding company.

The Company has received funds from its holding company, which is registered in India and the funds are received within India. Accordingly, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) are not applicable.

(m) Undisclosed income

There is no income surrendered or disclosed as income, which is not recorded in books of accounts during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(n) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

33 PRIOR PERIOD COMPARATIVES

Prior year comparatives have been regrouped/ reclassified where necessary, to confirm with current year's presentation.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739XURLQB7027

For and on behalf of the board of directors of
BF Industrial Solutions Limited

Sumeet Banga
Director and Chief Executive Officer
DIN: 07472953
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Guruprasad Vaidya
Chief Financial Officer
Place: Pune
Date : 30 April 2026

Arti Rohra
Company Secretary
Place: Pune
Date : 30 April 2026

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BF Industrial Technology & Solutions Limited

Registered Office
244/6&7, GIDC Estate, Waghodia, Gujarat 391760

Independent Auditors' Report

To the Members of
BF Industrial Technology & Solutions Limited
(formerly known as Sanghvi Forging & Engineering Limited)

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS financial statements of BF Industrial Technology & Solutions Limited (formerly known as Sanghvi Forging & Engineering Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

2. (A) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   i. (i) The management has represented that to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium

or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Company shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

ii. The Company has not declared or paid any dividend during the year.

iii. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

(a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

(b) The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.

(c) The Payroll accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, to the extent the audit trail (edit log) recording feature was enabled, the Company has preserved the audit trail (edit log) as per the statutory requirements for record retention.

(B) In our opinion, the managerial remuneration for the year ended 31 March 2026 has been paid/provided for by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026
UDIN: 26107739JUYGAR1615

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of BF Industrial Technology & Solutions Limited (formerly known as Sanghvi Forging & Engineering Limited) on the Ind AS financial statements for the year ended 31 March 2026)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, plant and equipment, by which all the Property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) The title deeds of the immovable properties disclosed in the Ind AS financial statements (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, plant and equipment, right of use assets, or intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) As explained to us, the inventory (including those lying with third parties) has been physically verified at reasonable intervals by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure of such verification by the management is appropriate.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned fresh working capital limits in aggregate, exceeding five crore rupees from a bank on the basis of security of current assets. Based on the records examined by us, the periodical statements filed by the Company with such bank are in agreement with books of accounts of the Company. The Company does not have any working capital limits sanctioned from financial institutions.

(iii) In our opinion and according to the information and explanations given to us, the Company has not made any investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties during the year. Accordingly, paragraph 3 (iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made investments in or provided guarantee or security to which the provisions of section 185 or section 186 of the Act apply. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules made there under relating to the acceptance of deposits are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of the products manufactured by the Company and are of the opinion that prima facie, such accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employee's State Insurance, Income Tax, Duty of

Customs and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Service Tax, Duty of Excise and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2026, for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues which have not been deposited on account of any dispute.

We have not included the disputed statutory dues related to Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues that have been waived off and extinguished as per the Resolution Plan approved by the the National Company Law Tribunal for reporting under this clause (refer note 43).

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transactions which were not recorded in the books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or other borrowings from any lenders. Accordingly, paragraph 3 (ix) (a) of the order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lenders.

(c) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the year. Accordingly, paragraph 3 (ix) (c) of the order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis. Accordingly, paragraph 3 (ix) (d) of the order is not applicable to the Company.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any joint venture or associate companies.

(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any joint venture or associate companies.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or optionally convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards, have been disclosed in the Ind AS financial statements. The provisions of Section 177 are not applicable to the Company.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have reviewed the reports of the internal auditors for the period under audit, however we have not placed reliance on the work done by the internal auditor.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of section 192 of the act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to register itself under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) (a)(b) and (c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Company

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 42 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount required to be transferred in accordance with second proviso to sub-section (5) or sub-section (6) of section 135 of the Act. Accordingly, paragraph 3 (xx) of the Order is not applicable to the Company.

(xxi) The paragraph 3 (xxi) of the Order is not applicable to the standalone Ind AS financial statements of the Company.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026
UDIN: 26107739JUYGAR1615

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of BF Industrial Technology & Solutions Limited (formerly known as Sanghvi Forging & Engineering Limited) on the Ind AS financial statements for the year ended 31 March 2026)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BF Industrial Technology & Solutions Limited ("the Company") (formerly known as Sanghvi Forging & Engineering Limited) as of 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting ("IFC-FR)" criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 30 April 2026
UDIN: 26107739JUYGAR1615

Balance Sheet

as at 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Assets			
Non-current assets			
Property, plant and equipments	**3**	**401.66**	428.40
Intangible assets	**4**	**3.51**	4.04
Right of use assets	**5(a)**	**52.76**	56.83
Financial assets			
(i) Investments in subsidiary	**6**	**-**	-
(ii) Other non-current financial assets	**7**	**16.13**	10.73
Other non-current assets	**13**	**1.14**	-
Income tax assets	**28**	**16.21**	10.27
		491.41	510.27
Current assets			
Inventories	**8**	**263.75**	264.19
Financial assets			
(i) Trade receivables	**9**	**403.10**	319.42
(ii) Current investment	**10**	**1.01**	0.95
(iii) Cash and cash equivalents	**11**	**167.20**	157.25
(iv) Other bank balances	**11**	**9.25**	9.82
(v) Other current financial assets	**12**	**0.81**	0.74
Other current assets	**13**	**26.77**	9.78
		871.89	762.15
		1,363.30	1,272.42

Balance Sheet contd...

as at 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Equity and liabilities			
Equity			
Share capital	**14**	**900.50**	900.50
Other equity	**15**	**160.17**	66.47
		1,060.67	966.97
Non-current liabilities			
Long term provisions	**16**	**15.55**	14.62
Financial liabilities			
(i) Lease liabilities	**5(b)**	**29.81**	32.74
		45.36	47.36
Current liabilities			
Financial liabilities			
(i) Trade payables	**17**		
- dues to micro enterprises and small enterprises		**52.20**	6.67
- dues to other than micro enterprises and small enterprises		**168.71**	207.12
(ii) Lease liabilities	**5(b)**	**2.94**	2.68
Other current liabilities	**18**	**32.70**	40.35
Short term provisions	**19**	**0.72**	1.27
		257.27	258.09
		1,363.30	1,272.42
Material accounting policies	**1-2**		
Notes to the Ind AS financial statements	**3-44**		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739JUYGAR1615

For and on behalf of the board of directors of
BF Industrial Technology & Solutions Limited
(formerly known as Sanghvi Forging & Engineering Limited)

Sandeep Goel
Director and Chief Executive Officer
DIN: 09235353
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Sanjeevkumar Jain
Whole time director and
Chief Financial Officer
DIN: 01983624
Place: Vadodara
Date : 30 April 2026

Arti Rohra
Company Secretary

Place: Pune
Date : 30 April 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Income			
Revenue from operations	**20**	**1,245.45**	1,086.92
Other income	**21**	**15.47**	31.81
Total income		**1,260.92**	1,118.73
Expenses			
Cost of material consumed	**22**	**654.47**	462.14
(Increase)/decrease in inventories of finished goods, work-in-progress and scrap	**23**	**(4.28)**	128.20
Employee benefits expense	**24**	**92.18**	82.36
Depreciation and amortisation	**25**	**46.00**	43.03
Finance costs	**26**	**3.29**	3.41
Other expenses	**27**	**376.81**	344.25
Total expenses		**1,168.47**	1,063.39
Profit before tax		**92.45**	55.34
Tax expenses	**28**		
Current tax		**-**	-
Earlier year taxes		**-**	-
Deferred tax		**-**	-
Total tax expenses		**-**	-
Profit for the year		**92.45**	55.34
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent periods			
- Re-measurement (losses)/gains on defined benefit plans		**1.25**	(0.71)
- Income tax effect on above		**-**	-
Items that will be reclassified to Statement of Profit and Loss in subsequent periods		**-**	-
Other comprehensive loss for the year		**1.25**	(0.71)

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Total comprehensive income for the year		**93.70**	54.63
Basic and diluted earnings per equity share of face value Rs. 10/- each	**30**	**1.03**	0.61
Material accounting policies	**1-2**		
Notes to the Ind AS financial statements	**3-44**		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739JUYGAR1615

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DIN: 09235353
Place: Pune
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Sanjeevkumar Jain
Whole time director and
Chief Financial Officer
DIN: 01983624
Place: Vadodara
Date : 30 April 2026

Arti Rohra
Company Secretary

Place: Pune
Date : 30 April 2026

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	31 March 2026	31 March 2025
A) Cash flows from operating activities		
Net profit before tax	**92.45**	55.34
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	**46.00**	43.03
Finance costs	**3.29**	3.41
Interest income	**(5.88)**	(7.06)
Net gain on fair value of financial instruments	**(0.06)**	(0.06)
Loss on sale of property, plant and equipments	**0.02**	-
Liabilities no longer payable	**(1.40)**	(12.76)
Unrealised foreign exchange gain	**(9.87)**	(7.32)
Reversal of provision for onerous contracts	**(0.65)**	(7.06)
Bad debts	**0.48**	1.37
(Reversal)/ provision for doubtful debts (including expected credit loss)	**(3.55)**	3.79
Debit balances no longer recoverable	**0.66**	1.38
Operating profit before working capital changes	**121.49**	74.06
Movements in working capital:		
Decrease in inventories	**0.44**	146.20
Increase in trade receivables	**(71.40)**	(75.75)
(Increase)/decrease in other financial assets	**(3.77)**	11.57
(Increase)/decrease in other assets	**(16.99)**	0.61
Decrease in trade payables	**8.52**	(79.98)
Increase in provisions	**2.28**	2.50
(Decrease)/increase in other current liabilities	**(7.65)**	12.14
	(88.57)	17.29
Cash generated from operations	**32.92**	91.35
Direct taxes paid (net of refunds)	**(5.94)**	(0.23)
Net cash generated from operating activities	**26.98**	91.12
B) Cash flows from investing activities		
Purchase of property, plant and equipments	**(15.82)**	(28.08)
Addtions to fixed deposits	**(1.13)**	(2.78)
Investment in mutual funds	**-**	(0.01)
Interest income	**5.88**	7.06
Net cash flows used in investing activities	**(11.07)**	(23.81)

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
C) Cash flows from financing activities			
Payment of lease liabilities		**(5.71)**	(5.71)
Interest paid on other than lease liabilities		**(0.25)**	(0.14)
Net cash used in financing activities		**(5.96)**	(5.85)
Net increase in cash and cash equivalents		**9.95**	61.46
Cash and cash equivalents at beginning of the year		**157.25**	95.79
Cash and cash equivalents at end of the year (also refer note 11)		**167.20**	157.25
D) Components of cash and cash equivalents			
Cash in hand		**-**	-
Balances with banks:			
In current accounts		**0.66**	0.20
In debit balances in cash credit account		**21.54**	7.05
Fixed deposits with original maturity less than three months		**145.00**	150.00
Total cash and cash equivalents (also refer note 11)		**167.20**	157.25
Material accounting policies	**1-2**		
Notes to the Ind AS financial statements	**3-44**		

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739JUYGAR1615

For and on behalf of the board of directors of
BF Industrial Technology & Solutions Limited
(formerly known as Sanghvi Forging & Engineering Limited)

Sandeep Goel
Director and Chief Executive Officer
DIN: 09235353
Place: Pune
Date : 30 April 2026

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Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Sanjeevkumar Jain
Whole time director and
Chief Financial Officer
DIN: 01983624
Place: Vadodara
Date : 30 April 2026

Arti Rohra
Company Secretary

Place: Pune
Date : 30 April 2026

Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

(A) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and paid up

Notes	Amount
As at 1 April 2024	900.50
Issue of fully paid equity shares of ₹ 10 each	-
As at 31 March 2025	900.50
As at 1 April 2025	**900.50**
Issue of fully paid equity shares of ₹ 10 each	**-**
As at 31 March 2026	**900.50**

(B) Other equity

Particulars	Securities premium	General reserve	Capital reduction reserve	Retained earnings	Total
As at 01 April 2024	404.97	3.99	148.92	(546.04)	11.84
Profit for the year	-	-	-	55.34	55.34
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	-	(0.71)	(0.71)
As at 31 March 2025	404.97	3.99	148.92	(491.41)	66.47
As at 01 April 2025	**404.97**	**3.99**	**148.92**	**(491.41)**	**66.47**
Profit for the year	-	-	-	**92.45**	**92.45**
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	-	**1.25**	**1.25**
As at 31 March 2026	**404.97**	**3.99**	**148.92**	**(397.71)**	**160.17**

Material accounting policies	**1-2**
Notes to the Ind AS financial statements	**3-44**

The notes referred to above form an integral part of the Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739JUYGAR1615

For and on behalf of the board of directors of
BF Industrial Technology & Solutions Limited
(formerly known as Sanghvi Forging & Engineering Limited)

Sandeep Goel
Director and Chief Executive Officer
DIN: 09235353
Place: Pune
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Whole time director and
Chief Financial Officer
DIN: 01983624
Place: Vadodara
Date : 30 April 2026

Arti Rohra
Company Secretary

Place: Pune
Date : 30 April 2026

Notes to the Financial Statements

for the year ended 31 March 2026

1. CORPORATE INFORMATION

BF Industrial Technology & Solutions Limited (formerly known as Sanghvi Forging and Engineering Limited) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Bharat Forge Limited is the ultimate holding Company and BF Industrial Solutions Limited is the holding Company of the Company. The Company is engaged in the manufacturing and selling of open and close forged products. The Company caters to both domestic and international markets. The registered office of the Company is located at GIDC Industrial Estate, Waghodia, and District Vadodara. The Company's CIN is U28910GJ1989PLC012015. The financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 30 April 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Summary of material accounting policies

a) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also its functional currency.

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

c) Investment in subsidiaries

The Company has accounted for its investment in subsidiaries at cost less accumulated impairment [Refer note 2.2(m)].

d) Fair value measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received on sell of 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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 financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 41)
- Quantitative disclosures of fair value measurement hierarchy (note 41)
- Investment in unquoted equity shares (note 6)
- Financial instruments (including those carried at amortised cost) (note 41)

e) Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on date of bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 15 to 180 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

Export incentives

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1 – 4 days for completion and accordingly, revenue is recognized when products are sent to customer on which job work is completed. The normal credit period is 60 days.

Interest income

For all debt instruments measured either at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected Cash Flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the Statement of Profit and Loss.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.2 (p) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in form of advance from customer (or an amount of consideration is due). If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs the obligation as per the contract.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). 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.

Indirect taxes paid on acquisition of assets or on incurring expense

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

g) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on :

- useful lives determined based on internal technical evaluation,
- residual value of respective assets, which are not more than 5% of the original cost of the asset.

Type of asset	Schedule II life (years)	Useful lives estimated by the management (years)
Building – factories	30	30
Buildings – others (including roads)	5 to 60	5 to 60
Plant and machineries (including electrical installations)	15	1 to 24
Plant and machineries – windmill	25	9
Plant and machineries – computers	3	3
Office equipment	5	5
Furniture and fixtures	10	10
Vehicles – Four wheelers	8	8
Vehicles – Two wheelers	10	10

The Company, based on technical assessment made by a technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Acquired intangible assets which comprise expenditure incurred on acquisition of user licenses for computer software's are amortised over the estimated useful life (say 3 years) on a straight-line basis. The useful life of intangible assets is reviewed by management at each Balance Sheet date.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (say 99 years).

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate, are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change

in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

k) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

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.

l) Impairment of non-financial assets

The Company assesses, at each reporting date, 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) fair value less costs of disposal and its value in use. 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 group of assets. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate Cash Flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates Cash Flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or country or countries in which the entity operates or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations including impairment on inventories, are recognised in the Statement of Profit and Loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

If such indication exists, the Company estimates 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 exceeds 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 Statement of Profit and Loss.

m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

n) Post-employment and other employee benefits

Provident fund

The Company contributes regularly towards the provident fund of its employees to the Government administered pension fund which is a defined contribution scheme.

The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

The Company operates a defined benefits plan for its employee's viz. gratuity scheme. Payment for present liability of future payment of gratuity is being made to approved gratuity funds. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for the plan using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net

interest on the net defined benefit liability), are recognised immediately in the Balance Sheet as asset / liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Privilege leave benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

o) 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.

Financial assets

Initial recognition and measurement

All financial assets except trade or other receivables that result from transactions within scope of IND AS 115, 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 and other receivables arising as a result of transactions within scope of IND AS 115 are initially recorded at transaction price.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss ('FVTPL')
- Equity instruments are measured at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss (FVTPL).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual Cash Flows, and

b) 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.

This category is the most relevant to the Company. 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 other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 investment as at FVTOCI, 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 the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive Cash Flows from the asset have expired, or
- The Company has transferred its rights to receive Cash Flows from the asset or has assumed an obligation to pay the received Cash Flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive Cash Flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an

associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

a) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are measured at FVTOCI

c) Lease receivables under Ind AS 116

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e. all cash shortfalls), 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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. 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.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase / origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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.

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 financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 Statement of Profit and Loss.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet 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.

p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

q) Dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Revenue from contracts with customers

The Company has applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identifying contracts with customers

The management of the Company has exercised judgement to determine contract with customers for the purpose of Ind AS 115 and for identification of performance obligations and other associated terms.

b) Identifying performance obligation

The Company enters into contract with customers for goods and services. The Company determined that both the goods and services are capable of being distinct. The Company also determined that the promises to transfer these goods and services are distinct within the context of the contract.

c) Determination of timing of satisfaction of performance obligation

The Company concluded that revenue from sale of goods to be recognised at a point in time and revenue from sale of services to be recognised over a period of time. The Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans 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, expected returns on plan assets and mortality rates. Due to

the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note 38.

3) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

2.4 New amendments issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2026, MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements relating to the classification of liabilities subject to covenant breaches applicable to the Company w.e.f 1 April 2026. The Company has reviewed the new pronouncement and based on its evaluation has determined that it does not have any impact on the financial statements.

3 PROPERTY, PLANT AND EQUIPMENTS

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Freehold Land	Building	Plant and equipment	Electrical installations	Furniture and fixtures	Computers	Office equipments	Vehicles	Total
Gross block									
Balance as at 1 April 2024	1.77	251.56	1,274.80	64.63	3.22	3.02	2.97	2.90	1,604.87
Additions	-	1.63	25.33	-	0.63	0.35	0.14	-	28.08
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	1.77	253.19	1,300.13	64.63	3.85	3.37	3.11	2.90	1,632.95
Balance as at 1 April 2025	**1.77**	**253.19**	**1,300.13**	**64.63**	**3.85**	**3.37**	**3.11**	**2.90**	**1,632.95**
Additions	**-**	**1.87**	**12.16**	**-**	**0.20**	**0.09**	**0.36**	**-**	**14.68**
Disposals	**-**	**-**	**0.06**	**-**	**-**	**-**	**-**	**0.18**	**0.24**
Balance as at 31 March 2026	**1.77**	**255.06**	**1,312.23**	**64.63**	**4.05**	**3.46**	**3.47**	**2.72**	**1,647.39**
Accumulated depreciation and impairment									
Balance as at 1 April 2024	-	82.24	1,010.74	64.62	2.11	1.80	2.03	2.58	1,166.12
Depreciation for the year	-	8.52	29.16	-	0.28	0.19	0.27	0.01	38.43
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	-	90.76	1,039.90	64.62	2.39	1.99	2.30	2.59	1,204.55
Balance as at 1 April 2025	**-**	**90.76**	**1,039.90**	**64.62**	**2.39**	**1.99**	**2.30**	**2.59**	**1,204.55**
Depreciation for the year	**-**	**8.56**	**31.63**	**-**	**0.36**	**0.54**	**0.31**	**-**	**41.40**
Accumulated depreciation on disposals	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.17**	**0.22**
Balance as at 31 March 2026	**-**	**99.32**	**1,071.48**	**64.62**	**2.75**	**2.53**	**2.61**	**2.42**	**1,245.73**
Balance as at 31 March 2026	**1.77**	**155.74**	**240.75**	**0.01**	**1.30**	**0.93**	**0.86**	**0.30**	**401.66**
Balance as at 31 March 2025	1.77	162.43	260.23	0.01	1.46	1.38	0.81	0.31	428.40

(All amounts are in Indian Rupees millions, unless otherwise stated)

4 INTANGIBLE ASSETS

Particulars	Softwares	Total
Gross block		
Balance as at 1 April 2024	8.47	8.47
Additions	-	-
Balance as at 31 March 2025	8.47	8.47
Balance as at 1 April 2025	**8.47**	**8.47**
Additions	**-**	**-**
Balance as at 31 March 2026	**8.47**	**8.47**
Accumulated amortisation		
Balance as at 1 April 2024	3.89	3.89
Amortisation for the year	0.54	0.54
Balance as at 31 March 2025	4.43	4.43
Balance as at 1 April 2025	**4.43**	**4.43**
Amortisation for the year	**0.53**	**0.53**
Balance as at 31 March 2026	**4.96**	**4.96**
Balance as at 31 March 2026	**3.51**	**3.51**
Balance as at 31 March 2025	4.04	4.04

(All amounts are in Indian Rupees millions, unless otherwise stated)

5(a) Right-of-use assets and lease liabilities

The Company has leased a leasehold land for 99 years and a equipments for 10 years for its operation. Mentioned below are the disclousres as required under Ind AS 116-Leases.

(a) Right-of-use assets

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Plant and machinery	Leasehold Land	Total
Gross block			
Balance as at 1 April 2024	-	24.04	24.04
Additions	37.86	-	37.86
Balance as at 31 March 2025	37.86	24.04	61.90
Balance as at 1 April 2025	**37.86**	**24.04**	**61.90**
Additions	**-**	**-**	**-**
Balance as at 31 March 2026	**37.86**	**24.04**	**61.90**
Accumulated depreciation			
Balance as at 1 April 2024	-	1.01	1.01
Depreciation for the year	3.78	0.28	4.06
Balance as at 31 March 2025	3.78	1.29	5.07
Balance as at 1 April 2025	**3.78**	**1.29**	**5.07**
Depreciation for the year	**3.78**	**0.29**	**4.07**
Balance as at 31 March 2026	**7.56**	**1.58**	**9.14**
Balance as at 31 March 2026	**30.30**	**22.46**	**52.76**
Balance as at 31 March 2025	34.08	22.75	56.83

(b) Lease liabilities

Below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2026	31 March 2025
As at the beginning of the year	**35.42**	-
Additions	**-**	37.86
Accretion of interest	**3.04**	3.27
Deletions	**-**	-
Payments	**(5.71)**	(5.71)
As at the end of the year	**32.75**	35.42
Current	**2.94**	2.68
Non-current	**29.81**	32.74

(All amounts are in Indian Rupees millions, unless otherwise stated)

The effective interest rate for lease liabilities is 9% p.a (31 March 2025: 9%)

The Company had total cash outflows for leases of ₹ 5.71 million (31 March 2025: 5.71 million).

5(c) Disclosure as required by Ind AS 116 - Leases

Amounts recognised in statement of profit and loss:

	31 March 2026	31 March 2025
Depreciation on right-of-use assets	**4.07**	4.06
Interest expense on lease liabilities	**3.04**	3.27
Total amount recognised in statement of profit or loss	**7.11**	7.33

Below are the undiscounted potential future rental payments relating to leases liabilities recognised and outstanding at the end of the year :

Particulars	**Within 5 years**	**More than 5 years**	**Total**
31 March 2026	**28.56**	**17.14**	**45.70**
31 March 2025	28.56	22.85	51.41

6 INVESTMENT IN SUBSIDIARY

(at cost, unless other wise stated)

	31 March 2026	31 March 2025
Unquoted		
100 (2025 : 100) equity shares of face value of Euro 1 each of Sanghvi Europe B.V.	**0.01**	0.01
Less : Provision for impairment in value of investments	**(0.01)**	(0.01)
	-	-

7 OTHER NON-CURRENT FINANCIAL ASSETS

(at amortised cost)

	31 March 2026	31 March 2025
Security deposits	**13.76**	10.06
Fixed deposits with remaining maturity of more than 12 months	**2.37**	0.67
	16.13	10.73

8 INVENTORIES

(valued at lower of cost or net realisable value)

	31 March 2026	31 March 2025
Raw materials	**68.04**	96.52
Finished goods	**4.73**	1.94
Work in progress	**105.15**	102.07
Stores and spares	**83.93**	60.66
Packing materials	**0.98**	0.49
Scrap	**0.92**	2.51
	263.75	264.19

(All amounts are in Indian Rupees millions, unless otherwise stated)

9 TRADE RECEIVABLES

	31 March 2026	31 March 2025
Unsecured (undisputed)		
Considered good	**403.10**	321.82
Doubtful	**-**	-
Credit impaired	**16.61**	20.34
	419.71	342.16
Less : Impairment allowance (including allowance for bad debts and expected credit loss)		
Credit impaired	**(15.29)**	(20.34)
Doubtful	-	-
Unsecured (considered good)	**(1.32)**	(2.40)
	(16.61)	(22.74)
	403.10	319.42

Trade receivables ageing schedule

As of 31 March 2026

Particulars	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and							
- considered good	**301.52**	**100.16**	**0.65**	**1.16**	**-**	**0.93**	**404.42**
- which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- credit impaired	**-**	**-**	**-**	**1.05**	**-**	**14.24**	**15.29**
	301.52	**100.16**	**0.65**	**2.21**	**-**	**15.17**	**419.71**
(ii) Disputed trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	301.52	**100.16**	**0.65**	**2.21**	**-**	**15.17**	**419.71**

As of 31 March 2025

Particulars	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and							
- considered good	229.21	87.05	5.56	-	-	-	321.82
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	4.42	15.92	20.34
	229.21	87.05	5.56	-	4.42	15.92	342.16
(ii) Disputed trade receivables	-	-	-	-	-	-	-
	229.21	87.05	5.56	-	4.42	15.92	342.16

(All amounts are in Indian Rupees millions, unless otherwise stated)

10 CURRENT INVESTMENTS

	31 March 2026	31 March 2025
Unquoted		
Investments designated at fair value through profit or loss (FVTPL)		
Investments in mutual funds		
331.411 units of Axis Liquid Fund - Regular Growth (2025 : 331.411 units)	**1.01**	0.95
	1.01	0.95
Aggregate amount of unquoted investments	**1.01**	0.95

11 CASH AND BANK BALANCES

	31 March 2026	31 March 2025
Cash and cash equivalents		
Cash in hand	**-**	-
Balances with banks		
- in current accounts	**0.66**	0.20
- debit balance in cash credit account	**21.54**	7.05
- Fixed deposits with original maturity less than three months	**145.00**	150.00
	167.20	**157.25**
Other bank balances		
Fixed deposits with original maturity more than three months and remaining maturity less than 12 months	**9.25**	9.82
	9.25	**9.82**
Details of bank balances/deposits		
Bank balances available on demand	**22.20**	7.25
Fixed deposits with original maturity less than three months	**145.00**	150.00
Fixed deposits with original maturity more than three months and remaining maturity less than 12 months	**9.25**	9.82
Fixed deposits due to mature after 12 months from the reporting date included in 'Non-current assets'	**2.37**	0.67
	178.82	167.74

12 OTHER CURRENT FINANCIAL ASSETS

(at amortised cost)

	31 March 2026	31 March 2025
Loan to employees	**0.73**	0.67
Export incentive receivable	**0.08**	0.07
	0.81	0.74

(All amounts are in Indian Rupees millions, unless otherwise stated)

13 OTHER ASSETS

	31 March 2026	31 March 2025
Non-current		
Capital advances	**1.14**	-
	1.14	-
Current		
Advance to suppliers	**19.54**	3.08
Balance with revenue authorities	**1.17**	2.50
Prepaid expenses	**6.06**	4.20
	26.77	9.78
	27.91	9.78

14 SHARE CAPITAL

	31 March 2026	31 March 2025
Authorised capital:		
9,10,00,000 equity shares of ₹10 each (31 March 2025: 9,10,00,000)	**910.00**	910.00
	910.00	910.00
Issued, subscribed and paid up capital:		
9,00,50,000 equity shares of ₹10 each fully paid up (31 March 2025: 9,00,50,000)	**900.50**	900.50
	900.50	900.50

14.1 Rights, preference and restrictions attached to the equity shares

The Company has a single class of equity shares having a par value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

14.2 Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	31 March 2026		31 March 2025	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Equity share capital				
At the beginning of the year	**90,050,000**	**900.50**	90,050,000	900.50
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**90,050,000**	**900.50**	90,050,000	900.50

(All amounts are in Indian Rupees millions, unless otherwise stated)

14.3 Details of equity shareholders holding more than 5% shares are set out below

Particulars	31 March 2026		31 March 2025	
	Number of shares	Holding %	Number of shares	Holding %
BF Industrial Solutions Limited*	**90,050,000**	**100.00%**	90,050,000	100.00%
	90,050,000	**100.00%**	90,050,000	100.00%

*including shares held by nominees of the Holding Company.

14.4 Details of shares held by holding Company

Particulars	31 March 2026		31 March 2025	
	Number of shares	Holding %	Number of shares	Holding %
BF Industrial Solutions Limited*	**90,050,000**	**100.00%**	90,050,000	100.00%

*including shares held by nominees of the Holding Company.

14.5 Details of shareholdings of promoters

Name of Promoter	Number of Shares held as on 31 March 2026	% of total Shares	% change during the year ended 31 March 2026
BF Industrial Solutions Limited*	**90,050,000**	**100.00%**	**-**

Name of Promoter	Number of Shares held as on 31 March 2025	% of total Shares	% change during the year ended 31 March 2025
BF Industrial Solutions Limited*	90,050,000	100.00%	-

*including shares held by nominees of the Holding Company.

15 OTHER EQUITY

	31 March 2026	31 March 2025
Securities premium	**404.97**	404.97
General reserve	**3.99**	3.99
Capital reduction reserve	**148.92**	148.92
Retained earnings		
As per last Balance Sheet	**(491.41)**	(546.04)
Profit for the year	**92.45**	55.34
Other comprehensive income for the year	**1.25**	(0.71)
	(397.71)	(491.41)
	160.17	66.47

(All amounts are in Indian Rupees millions, unless otherwise stated)

16 LONG TERM PROVISIONS

	31 March 2026	31 March 2025
Provision for gratuity (refer note 38)	**11.46**	10.70
Provision for compensated absences	**4.09**	3.92
	15.55	14.62

17 TRADE PAYABLES

	31 March 2026	31 March 2025
Due to micro enterprises and small enterprises ("MSME") (refer note 32)	**52.20**	6.67
Due to others	**168.71**	207.12
	220.91	213.79

Trade payable ageing schedule

As on 31 March 2026

Particulars	Outstanding for the following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
-MSME	**41.05**	**11.15**	**-**	**-**	**-**	**52.20**
- Others	**52.90**	**14.92**	**4.58**	**-**	**0.14**	**72.54**
	93.95	**26.07**	**4.58**	**-**	**0.14**	**124.74**
(ii) Disputed						
- MSME	**-**	**-**	**-**	**-**	**-**	**-**
- Others	**-**	**4.26**	**4.12**	**-**	**11.36**	**19.74**
	-	**4.26**	**4.12**	**-**	**11.36**	**19.74**
(iii) Unbilled dues*	**76.43**	**-**	**-**	**-**	**-**	**76.43**
	170.38	**30.33**	**8.70**	**-**	**11.50**	**220.91**

As on 31 March 2025

Particulars	Outstanding for the following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed						
-MSME	4.74	1.93	-	-	-	6.67
- Others	67.84	30.11	-	1.73	3.55	103.23
	72.58	32.04	-	1.73	3.55	109.90
(ii) Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	0.01	32.46	32.47
	-	-	-	0.01	32.46	32.47
(iii) Unbilled dues*	71.42	-	-	-	-	71.42
	144.00	32.04	-	1.74	36.01	213.79

* Unbilled dues represents provisions for expenses accounted for.

(All amounts are in Indian Rupees millions, unless otherwise stated)

18 OTHER CURRENT LIABILITIES

	31 March 2026	31 March 2025
Contract liabilities (advance from customers)*	**4.91**	18.05
Statutory dues	**20.92**	17.36
Employee related liabilities	**6.87**	4.94
	32.70	40.35

* The contract liabilities relates to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed. Revenue will be recognized when the control of the goods are passed on to the customers.

19 SHORT TERM PROVISIONS

	31 March 2026	31 March 2025
Provision for compensated absences	**0.50**	0.41
Provisions for onerous contracts (refer note 36)	**0.22**	0.86
	0.72	1.27

20 REVENUE FROM OPERATIONS

	31 March 2026	31 March 2025
Sale of goods	**946.88**	786.98
Sale of services	**207.96**	197.21
Other operating revenue :		
Sale of scrap	**90.08**	102.36
Export incentives	**0.20**	0.20
Others	**0.33**	0.17
	1,245.45	1,086.92
(a) Disaggregation of revenue on the basis of geographical markets		
Revenue from outside India	**-**	20.43
Revenue from within India	**1,245.45**	1,066.49
	1,245.45	1,086.92
(b) Revenue recognised from contract liabilities outstanding at the beginning of the year :	**12.47**	16.17
(c) Reconciliation of the revenue as per contracted price with revenue recognised in the Statement of Profit and Loss :		
Revenue from operations	**1,245.45**	1,086.92
Less : Export incentives from government	**(0.20)**	(0.20)
Revenue from contract with customers	**1,245.25**	1,086.72
Add : Sales rejections/returns	**12.62**	10.41
Add: Liquidated damages	**4.49**	7.98
Revenue as per contracted price	**1,262.36**	1,105.11

(All amounts are in Indian Rupees millions, unless otherwise stated)

21 OTHER INCOME

	31 March 2026	31 March 2025
Interest income	**5.88**	7.06
Liabilities no longer payable	**1.40**	12.76
Foreign exchange gain (net)	**3.07**	-
Reversal of provisions for onerous contracts	**0.65**	7.06
Reversal of provisions for doubtful debts	**3.55**	-
Insurance claim received	**0.47**	4.59
Net gain on fair valuation of financial instruments ("FVTPL")	**0.06**	0.06
Miscellaneous income	**0.39**	0.28
	15.47	31.81

22 COST OF MATERIAL CONSUMED

	31 March 2026	31 March 2025
Inventories of raw materials at the beginning of the year	**97.01**	128.15
Add: Purchases	**626.48**	431.00
Less: Inventories of raw materials at the end of the year	**(69.02)**	(97.01)
	654.47	462.14

23 (INCREASE)/DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP

	31 March 2026	31 March 2025
Inventories at the beginning of the year :		
Finished goods	**1.94**	64.70
Work in progress	**102.07**	149.21
Scrap	**2.51**	20.81
	106.52	234.72
Inventories at the end of the year :		
Finished goods	**4.73**	1.94
Work in progress	**105.15**	102.07
Scrap	**0.92**	2.51
	110.80	106.52
	(4.28)	128.20

(All amounts are in Indian Rupees millions, unless otherwise stated)

24 EMPLOYEE BENEFIT EXPENSES

	31 March 2026	31 March 2025
Salaries, wages and bonus	**80.14**	70.95
Contribution to provident and other funds (refer note 38)	**4.23**	4.33
Gratuity expenses (refer note 38)	**2.70**	2.25
Staff welfare	**5.11**	4.83
	92.18	82.36

25 DEPRECIATION AND AMORTISATION

	31 March 2026	31 March 2025
Depreciation on property, plant and equipments	**41.40**	38.43
Depreciation of right-of-use assets	**4.07**	4.06
Amortisation of intangible assets	**0.53**	0.54
	46.00	43.03

26 FINANCE COSTS

	31 March 2026	31 March 2025
Interest on lease liabilities	**3.04**	3.27
Interest to micro enterprises and small enterprises (MSME)	**0.25**	0.14
	3.29	3.41

(All amounts are in Indian Rupees millions, unless otherwise stated)

27 OTHER EXPENSES

	31 March 2026	31 March 2025
Power and fuel	**226.57**	176.40
Consumption of stores and spares	**46.41**	47.12
Subcontracting charges	**27.04**	41.28
Repairs and maintenance		
- building	**1.56**	0.55
- plant and machinery	**23.42**	22.30
- other	**2.42**	2.31
Selling and distribution expenses	**9.09**	6.78
Foreign exchange loss (net)	**0.00**	0.30
Legal and professional fees	**7.28**	10.06
Travelling and conveyance	**8.41**	8.16
Office and administration expenses	**7.21**	6.42
Rates and taxes	**5.34**	8.85
Bad debts	**0.48**	1.37
Provision for doubtful debts (including expected credit loss)	**0.00**	3.79
Debit Balances no longer recoverable	**0.66**	1.38
Payment to auditors (refer note 29)	**1.82**	1.87
Expenditure incured towards corporate social responsibilty (refer note 35)	**2.26**	1.05
Loss on sale of assets	**0.02**	-
Miscellaneous expenses	**6.82**	4.26
	376.81	344.25

(All amounts are in Indian Rupees millions, unless otherwise stated)

28 INCOME TAX

	31 March 2026	31 March 2025
(A) Statement of profit and loss		
(i) Tax expenses recognised in Statement of Profit and Loss		
Current tax	-	-
Earlier year taxes	-	-
	-	-
(ii) Tax expenses recognised in other comprehensive income		
Tax on remeasurements of defined benefit liability	-	-
	-	-
(B) Balance sheet		
Net non current income tax asset at the beginning of the year	**10.27**	10.04
Changes in estimates related to prior years	**-**	**-**
Income tax paid (net of refunds)	**5.94**	0.23
Net non current income tax asset at the end of the year	**16.21**	10.27
(C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for respective year		
Accounting profit before tax	**92.45**	55.34
Income tax rate	**25.17%**	25.17%
Expected income tax expense	**23.27**	13.93
Tax effects of amounts which are not deductible/(taxable) :		
(i) Effects of tax on unrealised income	**(0.02)**	(1.79)
(ii) Effect of timing differences on which deferred tax assets was not recognised in accordance with note given below:		
- Provisions for doubtful debts and onerous contracts	**(1.06)**	0.95
- Property, plant and equipments	**(1.04)**	(3.31)
- Right of use assets (net of lease liabilities)	**(0.67)**	-
(iii) Expenditure allowed on payment basis	**0.68**	2.01
(iv) Non deductible expenses	**0.80**	0.26
(iv) Tax losses for which no deferred tax was recognised	**(21.96)**	(12.05)
Income tax expense reported in the Statement of Profit and Loss	**-**	-

(D) Deferred tax

Ind AS 12 - Accounting for taxes on income, states that where an enterprise has unused tax losses and unused tax credits, deferred tax assets should be recognised only to the extent it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Accordingly, the Company has not recognised deferred tax asset on unused tax losses and unused tax credits since it is not probable that future taxable profits will be available against which the unused tax losses and credits will be utilised.

(All amounts are in Indian Rupees millions, unless otherwise stated)

29 AUDITORS' REMUNERATION (ON ACCRUAL BASIS, NET OF TAXES)

	31 March 2026	31 March 2025
Statutory audit fees	**1.30**	1.05
Limited review	**0.45**	0.60
Out of pocket expenses	**0.07**	0.22
	1.82	1.87

30 EARNINGS PER SHARE (EPS)

Earnings per share has been computed as under :

Sr. No.	Particulars		31 March 2026	31 March 2025
A	Profit after tax	₹ million	**92.45**	55.34
B	Weighted average number of equity shares outstanding during the year	Nos.	**90,050,000**	90,050,000
C	Nominal value of each share	in ₹	**10.00**	10.00
D	Basic and diluted earning per share (A/B)	in ₹	**1.03**	0.61

31 SEGMENT INFORMATION

Reportable segments

The Board of Directors have been identified as the Chief Operating Decision-Maker who examine the Company's performance both from a product and geographic perspective. The Chief Operating Decision Maker has identified only one reportable segment of "Forging and Fitting" comprising of forgings and machined components for different sectors/industries. Hence the revenue, expenses, results, assets and liabilities disclosed in the financial statements of the Company are allocable to one segment.

	31 March 2026	31 March 2025
Geographical information		
(i) Segment revenue from customers		
- within India	**1,245.45**	1,066.49
- outside India	**-**	20.43
	1,245.45	1,086.92
(ii) Segment assets		
- within India	**1,343.82**	1,244.24
- outside India (trade receivables)	**19.48**	28.18
	1,363.30	1,272.42

(All amounts are in Indian Rupees millions, unless otherwise stated)

32 DISCLOSURE PURSUANT TO THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSME')

Particulars	31 March 2026	31 March 2025
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier as below		
- Principal amount due to micro and small enterprises	**52.20**	6.67
- Interest due on above balance	**0.22**	0.12
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro and Small Enterprises Development Act, 2006, along with the amounts of the payments made to supplier beyond the appointed day during each accounting year.	**-**	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	**0.03**	0.02
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1.04**	0.79
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro and Small Enterprises Developments Act, 2006.	**-**	-

33 CONTINGENT LIABILITIES

	31 March 2026	31 March 2025
Contingent liabilities (to the extent not provided for):		
(i) Bank guarantees	**56.00**	51.60
(ii) Claims against Company not acknowleged as debts*		
- Goods and Services Tax**	-	1.39

* Claims against the Company including those related to various statutory dues that have been waived off and extinguished as per the Resolution Plan approved by the the National Company Law Tribunal are not considered above (refer note 43).

**Goods and services tax comprised of demands from the Goods and Services tax authorities arising on account of certain non compliances with the provisions of E-way bill. The Company had made a payment of ₹1.39 million under protest and filled an appeal before the State Tax Officer, Gujarat. During the year, pursuant to a favourable outcome of the proceedings the Company has received a refund of the aforesaid amount.

34 CAPITAL AND OTHER COMMITMENTS

	2.36	1.64

(All amounts are in Indian Rupees millions, unless otherwise stated)

35 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company extends financial support to educational institution, orphanage and non profit organisation working for women empowerment in accordance with Schedule VII of the Companies Act, 2013. Further, there were no related party transactions included in CSR expenditure.

As per the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 2.26 millions (31 March 2025: ₹1.05 million) (based on 2% of average profit before tax of preceding 3 financial years), in pursuance to its Corporate Social Responsibility policy.The Company has spent ₹ 2.67 million (2025: ₹ 1.05 million) towards Corporate Social Responsibility activities. The break-up of expenditure incurred on Corporate Social Responsibility activities are as follows:

Particulars	31 March 2026	31 March 2025
(A) Gross amount required to be spent during the year	**2.26**	1.05
(B) Total of previous year shortfall remaining unspent	**-**	-
(C) Amount spent during the year (including out of previous year shortfall) in cash on :		
(i) construction / acquisition of any asset	**-**	-
(ii) on purposes other than (i) above	**2.67**	1.05
(D) Excess at the end of the year	**0.41**	-

36 PROVISIONS

Particulars	31 March 2026	31 March 2025
Onerous contracts		
Balance at the beginning of the year	**0.86**	8.39
Add: Provision made during the year	**-**	-
Less: Provision reversed during the year	**0.64**	7.53
Balance at the end of the year	**0.22**	0.86

The contracts entered into with certains customers have been classified as onerous on account of cost overruns and delays in execution. In accordance with Ind AS 37 - Provisions, Contingent liabilities and Contingent Assets, a provision for expected losses on such onerous contracts has been recognised to the extent of present obligation under the contract. During the year, certain onerous contracts were executed and the related provisions were reversed.

(All amounts are in Indian Rupees millions, unless otherwise stated)

37 RELATED PARTY TRANSACTIONS

A. Enterprises exercising control over the Company

Bharat Forge Limited	Ultimate Holding Company
BF Industrial Solutions Limited	Holding Company

B. Individuals exercising control over the Company

Vikram Munje	Director
Sanjeev Kumar Jain	Chief Financial Officer and Whole-time Director
Sandeep Goel	Chief Executive Officer and Director
Kedar Dixit	Director
Sumeet Banga	Director
Hemrajsinh Solanki	Director (upto 26 April 2025)
Namrata Sanghavi	Company Secretary (upto 28 October 2025)
Arti Rohra	Company Secretary (from 4 November 2025)

C. Enterprises over which the Company or the key managerial personnel ('KMP') of the Holding Company exercises control or significant influence :

Sanghvi Europe B V	Subsidiary of the Company
Saarloha Advanced Material Private Limited	Company where KMPs of Ultimate Holding Company exercise control
Kalyani Technoforge Limited	Company where KMPs of Ultimate Holding Company exercise control
J S Auto Cast Foundry India Private Limited	Subsidiary of Holding Company

(All amounts are in Indian Rupees millions, unless otherwise stated)

D. Transactions with the above related parties and balances as at and for the year :

Sr. No.	Name of the related party	31 March 2026		31 March 2025	
		Transactions during the year (Rs.)	**Balance receivable/ (payable) (Rs.)**	Transactions during the year (₹)	Balance receivable/ (payable) (₹)
1	**BF Industrial Solutions Limited**				
	Marketing services	**6.85**	**-**	3.64	-
	Reimbursement of expenses	**-**	**-**	0.06	-
	Trade payable	**-**	**(0.39)**	-	(2.08)
2	**Bharat Forge Limited**				
	Job work income	**81.32**	**-**	54.28	-
	Sale of goods	**88.18**	**-**	19.33	-
	Purchase of goods	**36.15**	**-**	28.02	-
	Subcontracting charges	**-**	**-**	17.33	-
	Miscellaneous income	**-**	**-**	0.28	-
	Payment of lease rentals	**5.71**	**-**	5.71	-
	Trade payable	**-**	**(4.98)**	-	(12.67)
	Trade receivable	**-**	**72.68**	-	18.55
3	**Saarloha Advanced Materials Private Limited**				
	Purchases of goods	**36.93**	**-**	76.11	-
	Reversal of sale of scrap	**-**	**-**	0.08	-
	Job work income	**4.20**	**-**	-	-
	Sale of scrap	**1.69**	**-**	-	-
	Trade receivable	**-**	**6.84**	-	-
	Advance to suppliers (net)	**-**	**(11.63)**	-	-
	Trade payable	**-**	**-**	-	(22.13)
4	**Sanghvi Europe B.V.**				
	Trade receivable	-	**8.43**	-	7.06
5	**Sanjeev Kumar Jain**				
	Remuneration paid	**3.06**	**(0.19)**	2.60	(0.16)
6	**Hemrajsinh Solanki**				
	Remuneration paid (upto 26 April 2025)	**0.91**	**-**	4.23	(0.24)

(All amounts are in Indian Rupees millions, unless otherwise stated)

38 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE IND AS 19 EMPLOYEE BENEFITS :

(A) Defined contribution plan

The Company makes provident fund contributions to defined contributions plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 4.03 million (31 March 2025 : ₹ 3.92 million) for provident fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

(B) Defined Benefit Plan

Defined benefit plan comprises of Post-employment benefits plan mainly gratuity. These are measured at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using projected unit credit method. The breakup of current and non-current portion of defined benefit plan is as under:

Particulars	**31 March 2026**	31 March 2025
Non-current	**11.46**	10.70
Current	-	-
Gratuity	**11.46**	10.70

A) The defined benefit plan comprise of gratuity plan under which an employee, who has rendered at least five years of continuous, service, to receive fifteen by twenty-six days salary for each year of completed service at the time of retirement/exit. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet for the plan :

	31 March 2026	31 March 2025
a) Statement showing changes in present value of obligation as at the end of the year		
Present value of defined benefit obligation as at the beginning of the year	**10.74**	8.68
Current service cost	**1.69**	1.60
Past service cost	**0.16**	-
Interest cost	**0.81**	0.58
Benefits paid	**(0.66)**	(0.82)
Monetary rates and taxes	**-**	(0.03)
Actuarial losses/(gains)	**(1.23)**	0.73
Present value of defined benefit obligation as on Balance Sheet date	**11.51**	10.74
b) Statement showing changes in fair value of net assets as at the end of the year		
Fair value of plan assets at the beginning of the year	**0.04**	0.83
Interest income	**0.00**	0.03
Contributions by employer	**0.69**	0.11
Benefits paid	**(0.66)**	(0.82)
Monetary rates and taxes	**(0.04)**	(0.13)
Actuarial losses/(gains)	**0.02**	0.02
Fair value of plan assets at the end of the year	**0.05**	0.04

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
c)	**Analysis of defined benefit obligation :**		
	Present value of defined benefit obligation	**11.51**	10.74
	Fair value of plan assets	**(0.05)**	(0.04)
	Net liability recognized in the Balance Sheet	**11.46**	10.70
d)	**The major categories of plan assets of the fair value of the total plan assets are as follows:**		
	Investments with insurer	**0.05**	0.04
		0.05	0.04
e)	**Expenses recognized in the Statement of Profit and Loss**		
	Current service cost	**1.69**	1.60
	Past service cost	**0.16**	-
	Interest cost (net of interest income from plan assets)	**0.81**	0.55
	Monetary rates and taxes	**0.04**	0.10
		2.70	2.25
f)	**Expenses recognized in other comprehensive income**		
	Actuarial (gains)/losses	**(1.25)**	0.71
		(1.25)	0.71
g)	**Actuarial assumptions**		
	i) Discount Rate (%)	**7.50%**	6.75%
	ii) Salary Escalation (%)	**8.00%**	8.00%
	iii) Withdrawal Rate (%)	**5% to 1%**	5% to 1%
	iv) Expected return on plan assets (%)	**7.44%**	6.59%
	vii) Retirement age (In years)	**58**	58
	vii) Mortality rate	**Indian Assured Lives Mortality (2012-14) Ult.**	Indian Assured Lives Mortality (2012-14) Ult.

h) Sensitivity analysis of present value of defined benefit obligation to 1% change in key assumptions

Particulars	**31 March 2026**		31 March 2025	
	Increase by 1%	**Decrease by 1%**	Increase by 1%	Decrease by 1%
Discount rate	**(10.23)**	**13.04**	(9.44)	12.32
Salary escalation rate	**13.02**	**(10.23)**	12.28	(9.44)
Withdrawal rate	**(11.46)**	**11.58**	(10.60)	10.91

(All amounts are in Indian Rupees millions, unless otherwise stated)

i) Expected cash flows

Particulars	31 March 2026	31 March 2025
Year 1	**0.93**	0.56
Year 2	**0.55**	0.53
Year 3	**0.32**	0.45
Year 4	**0.63**	0.38
Year 5	**0.52**	0.36
Year 6 - 10	**2.03**	1.52

39 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of lease liablities and trade payables. The main purpose of these financial liabilities are to finance the Company's operations. The Company's principal financial assets include trade receivables, current investments in mutual funds, deposits with bank and cash and bank balances that is derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

(A) Market risks

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risks include borrowings, deposits with banks, investments in mutual funds and trade receivables.

(i) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(ii) Foreign currency risks

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and Company's net investment in foreign subsidiaries. The Company does not hedge its foreign currency exposures.

The Company's management frequently monitors the trade receivables in foreign currency on a regular basis. The credit period extended to the foreign customers is restricted to not more than 180 days, thus ensuring that the exchange rate fluctuations does not materially affect the cash inflows in functional currency (INR).

(All amounts are in Indian Rupees millions, unless otherwise stated)

The Company's exposure to the foreign currency risk is as follows :

Particulars	Currency	31 March 2026		31 March 2025	
		Amount in foreign currency	**Amount in Rs. millions**	Amount in foreign currency	Amount in ₹ millions
Financial assets					
Trade receivables	EUR	**0.11**	**11.59**	0.22	19.97
	USD	**0.08**	**7.89**	0.10	8.21
Financial liabilities					
Trade payables	EUR	**0.01**	**1.00**	-	-
Net exposure to foreign currency risks	EUR	**0.10**	**10.59**	0.22	19.97
	USD	**0.08**	**7.89**	0.10	8.21

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	31 March 2026		31 March 2025	
		Impact on profit		Impact on profit	
		Increase by 5%	**Decrease by 5%**	Increase by 5%	Decrease by 5%
Net exposure to foreign currency risks	EUR	**0.58**	**(0.58)**	1.00	(1.00)
	USD	**0.39**	**(0.39)**	0.41	(0.41)

Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments . The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors.

(B) Credit risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. At 31 March 2026, receivable from Company's top 5 customers accounted for approximately

(All amounts are in Indian Rupees millions, unless otherwise stated)

62.73% (31 March 2025 : 57.79%) of all the receivable outstanding. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Other receivables, deposits with banks, mutual funds and loans granted

Credit risk from balances with banks and mutual funds is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks were the counterparty risk is minimum.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2026 and 31 March 2025 is the carrying amounts as illustrated in the respective notes.

(C) Liquidity risks

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2026 and 31 March 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities

Particulars	Less than 1 year	1 - 5 Years	More than 5 years	Total
31 March 2026				
Trade payables	**220.91**	**-**	**-**	**220.91**
Lease liabilities	**2.94**	**19.31**	**10.50**	**32.75**
Total	**223.85**	**19.31**	**10.50**	**253.66**
31 March 2025				
Trade payables	213.79	-	-	213.79
Lease liabilities	2.68	13.47	19.27	35.42
Total	216.47	13.47	19.27	249.21

40 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

(All amounts are in Indian Rupees millions, unless otherwise stated)

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has adopted the objectives, policies or processes of Bharat Forge Limited (the ultimate holding company) for managing capital during the years ended 31 March 2026.

41 FAIR VALUE MEASUREMENT

A Financial instruments by category

The financial instruments are measured at Amortised cost of Fair Value through Profit and Loss ("FVTPL")

S.no	Particulars	31 March 2026		31 March 2025	
		FVTPL	**Amortised cost**	FVTPL	Amortised cost
(a)	Trade receivables	**-**	**403.10**	-	319.42
(b)	Current investment	**1.01**	**-**	0.95	-
(c)	Cash and bank balances	**-**	**167.20**	-	157.25
(d)	Other financial assets	**-**	**16.94**	-	11.47
	Total financial assets	**1.01**	**587.24**	0.95	488.14
	Financial liabilities				
(a)	Trade payables	**-**	**220.91**	-	213.79
(b)	Lease liabilities	**-**	**32.75**	-	35.42
	Total financial liabilities	**-**	**253.66**	-	249.21

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. 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 prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Total Financial assets				
31 March 2026	**1.01**	**-**	**-**	**1.01**
31 March 2025	0.95	-	-	0.95

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(All amounts are in Indian Rupees millions, unless otherwise stated)

ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, trade payables, and all other financial assets are considered to be the same as their fair values, due to their short-term nature.

iii) Valuation technique used to determine fair value

Fair value of market linked investments is determined using Net Asset Value ('NAV') report issued by mutual fund house.

42 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE ACT

(a) Title deeds of immovable property not held in name of the Company

The title deeds of all immovable properties (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

(b) Valuation of Property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment and intangible assets during the current or previous financial year. The Company does not hold any investment property.

(c) Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

(d) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Reconciliation of returns or statements submitted with banks or financial institution

The Company has availed borrowings from banks on the basis of security of current assets. The periodical statements of current assets filed by the Company with such banks are in agreement with books of accounts of the Company.

(f) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(g) Relationship with struck off Companies

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Companies Act,1956.

(h) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any creation or satifaction of charges to be registered with the Registrar of Companies during the current or previous year.

(i) Compliance with number of layers of companies

The Company has complied with the number of layers of subsidiary prescribed under the Act.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(j) Accounting Ratios

S.no	Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a)	Current ratio	**3.39**	2.95	15%	NA*
(b)	Debt-equity ratio	**-**	-	0%	NA**
(c)	Debt service coverage ratio	**-**	-	0%	NA**
(d)	Return on equity ratio	**0.09**	0.06	55%	Refer Note (ii)
(e)	Inventory turnover ratio	**2.46**	1.75	41%	Refer Note (iv)
(f)	Trade receivables turnover ratio	**3.45**	3.87	-11%	NA*
(g)	Trade payables turnover ratio	**2.88**	1.66	74%	Refer Note (iii)
(h)	Net capital turnover ratio	**2.23**	2.34	-5%	NA*
(i)	Net profit ratio	**0.07**	0.05	46%	Refer Note (i)
(j)	Return on capital employed ratio	**0.09**	0.06	48%	Refer Note (ii)
(k)	Return on investment ratio	**0.09**	0.06	52%	Refer Note (ii)

NA* - variance in ratio is not more than 25%, accordingly no explanation for variance is detailed out.

NA** - the Company does not have any debts accordingly the ratios are not applicable to the Company

Accounting Ratios formulas :

(a) Current Ratio = Current Assets / Current liabilities

(b) Debt-Equity Ratio = Total Debt / Total equity

(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

(d) Return on Equity Ratio = Profit for the year / Average equity

(e) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

(f) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables

(g) Trade payables turnover ratio = Purchases / Average Trade payables

(h) Net capital turnover ratio = Revenue from operations / Average Working Capital (Current assets - current liabilities)

(i) Net profit ratio = Profit for the year / Revenue from operations

(j) Return on Capital employed = EBIT / (Tangible networth +Total debt)

(k) Return on investment = Profit for the year / (Debt + Total equity)

Accounting Ratios explanations :

(i) In the current financial year, the net profit of the Company in absolute terms increased on account of reduction in cost of material consumed as a percentage of revenue from operations. Accordingly, the net profit ratio has increased in comparision to previous years.

(ii) The increase in average equity/average capital employed together with the reasons explained in point (i) above has resulted in increase in return on equity ratio, return on capital employed ratio and return on investment ratio as compared to previous year.

(iii) The Company's cash flows have improved thus resulting in efficient working capital management. Accordingly, the trade payable turnover ratio have improved compared to previous year.

(iv) During the year, the revenue mix of the Company has changed resulting in higher sale of goods compared to sale of services. This has resulted in increase of cost of material consumed and consequently impacting inventory turnover ratio.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(k) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(l) Utilisation of borrowed funds and share premium

The Company has not advanced or granted any loan or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(m) Undisclosed income

There is no income surrendered or disclosed as income, which is not recorded in books of accounts during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(n) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

43 CORPORATE INSOLVENCY RESOLUTION PROCESS

The Company was acquired by Bharat Forge Limited through an intermediary investment company 'BF Industrial Solutions Limited' under Corporate Insolvency Resolution Process initiated and completed in accordance with the Insolvency and Bankruptcy Code, 2016. The resolution plan for the aforementioned acquisition was approved by the National Company Law Tribunal on 26 April 2021 which resulted in the following events/transactions:

- issue of 50,000 equity shares of ₹10 each to BF Industrial Solutions Limited and subsequent reduction in share capital by cancelling and extinguishing 1,48,92,267 equity shares of ₹10 each issued to erstwhile shareholders of the Company;
- one time settlement of all term loans, working capital facilities and interest accured there on, to the banks in full settlement of their claims;
- Complete waiver of unsecured loans and inter corporate deposits accepted from the erstwhile related parties;
- full settlement of outstanding dues towards employees of the Company;
- full waiver of stautory dues including disputed statutory dues pending at various forums against the Company;
- proportionate settlement of consolidated claims of operational creditors;

(All amounts are in Indian Rupees millions, unless otherwise stated)

44 PRIOR PERIOD COMPARATIVES

Prior year comparatives have been regrouped/ reclassified where necessary, to confirm with current year's presentation.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date : 30 April 2026
UDIN : 26107739JUYGAR1615

For and on behalf of the board of directors of
BF Industrial Technology & Solutions Limited
(formerly known as Sanghvi Forging & Engineering Limited)

Sandeep Goel
Director and Chief Executive Officer
DIN: 09235353
Place: Pune
Date : 30 April 2026

Kedar Dixit
Director
DIN: 07055747
Place: Pune
Date : 30 April 2026

Sanjeevkumar Jain
Whole time director and
Chief Financial Officer
DIN: 01983624
Place: Vadodara
Date : 30 April 2026

Arti Rohra
Company Secretary

Place: Pune
Date : 30 April 2026

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BF Infrastructure Limited

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of BF Infrastructure Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **BF Infrastructure Limited** ("the Company") which comprises the balance sheet as at 31st March, 2026, the statement of profit and loss, including the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with other accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the point (vi) of clause (i) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The Modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the clause (b) above on reporting under section 143(3)(b) of the Act and point (vi) of clause (i) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

h) In our opinion the managerial remuneration for the year ended 31st March, 2026 has been paid / provided by the Company to its managerial personnel is in accordance with the provisions of section 197 read with Schedule V to the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any long-term derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the accounting software used by the Company did not have the audit trail features. The Company is in the process of establishing necessary controls and documentations regarding audit trail. Consequently, we are unable to comment on audit trail.

During the previous year, the accounting software used by the Company did not have the audit trail features. Consequently, we are unable to comment on preservation of audit trail as per the statutory requirements for record retention.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953UUJKUO7884

Place: Pune
Date : 29th April, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF BF INFRASTRUCTURE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible Assets as on 31st March, 2026. Hence, clause 3(i)(a)(B) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties. Therefore, the provisions of clause 3(i)(c) of the said order are not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory comprising raw material was physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification were appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) During the year, the company has provided loans or provided advances in nature of loans or stood guarantee to the following companies:

(In ₹ Thousands)

	Guarantees ₹	Security ₹	Loan ₹	Advances in the nature of loans ₹
Aggregate amount granted/provided during the year:				
Subsidiary	NIL	NIL	59.00	NIL
Balance outstanding as at 31st March, 2026:				
Subsidiary	NIL	NIL	44,588.61	NIL

(b) The terms and conditions of the grant of the above loans were not found prima facie prejudicial to the Company's interest.

(c) In respect of the loans or advances in the nature of loans which are repayable on demand, no schedules of repayment of the principal and payment of interest have been stipulated.

(d) There were no amounts overdue in respect of the principal and payment of interest.

(e) No loan or advance in the nature of loan granted and which has fallen due during the year has been renewed or extended or fresh loans have been granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act")

(In ₹ Thousands)

	All parties ₹	Promoters ₹	Related parties ₹
Aggregate amount of loans/ advances in the nature of loans:			
Repayable on demand	NIL	NIL	NIL
Agreement does not specify any terms or period of repayment	44,588.61	NIL	44,588.61
Total:	**44,588.61**	**NIL**	**44,588.61**
Percentage of loans/ advances in the nature of loans to the total loans	100%	-	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the said order is not applicable to the Company.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company. Hence, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanation given to us and the records of the Company, the Company was generally found to be regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-Tax, Duty of Custom, Cess and other statutory dues to the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 do not apply to the Company. According to the information and explanations given to us, no undisputed statutory dues were outstanding as at 31st March, 2026 for a period of more than six months from the date those became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute, save and except the following:

(In ₹ Thousands)

Name of the Statute	Nature of the Dues	Amount	Period	Forum where dispute is pending
Customs Act, 1962	Demand for short levy of IGST	4,769.03#	F.Y.2021-22	Dy. Commissioner of Customs, Courier Cell, Audit, Mumbai-Zone III

Excludes interest and penalty

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest, thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanation given to us and on the basis of our examination, The Company has not availed any term loan during the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, The Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the group. The group has Two CIC's as a part of the Groups.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report and in the preceding financial year.

(In ₹ Thousands)

	Current Financial Year	Preceding Financial Year
Cash losses incurred	**3,320.45**	NIL

(xviii) There has been no resignation by the statutory auditors of the Company during the year. Accordingly, Clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953UUJKUO7884

Place: Pune
Date : 29th April, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF BF INFRASTRUCTURE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026

Opinion

We have audited the internal financial controls over financial reporting of **BF Infrastructure Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953UUJKUO7884

Place: Pune
Date : 29th April, 2026

Balance Sheet

as at 31st March, 2026

(In ₹ Thousands)

			Note No.	As at 31st March, 2026	As at 31st March, 2025
I.		**ASSETS**			
1		**Non-current assets**			
	a)	Property, plant and equipment	3	**3.90**	22.37
	b)	Financial assets			
		i) Investment in subsidiaries and associates	4	**-**	-
		ii) Other financial assets	5	**17,803.36**	16,518.06
	c)	Income tax assets (net)	6	**2,438.67**	30,220.17
	d)	Other assets	7	**1,548.80**	3,975.23
				21,794.73	50,735.83
2		**Current assets**			
	a)	Inventories	8	**29,279.14**	26,831.64
	b)	Financial assets			
		i) Cash and cash equivalents	9	**3,150.08**	13,840.49
		ii) Other bank balances	9	**93,730.14**	61,154.64
		iii) Loans	10	**-**	-
		iv) Other financial assets	11	**13,324.37**	8,868.09
	c)	Other assets	12	**853.51**	993.10
				140,337.24	111,687.96
		TOTAL :		**162,131.97**	162,423.79

Balance Sheet

as at 31st March, 2026

(In ₹ Thousands)

			Note No.	As at 31st March, 2026	As at 31st March, 2025
II		**EQUITY AND LIABILITIES**			
1		**Equity**			
	a)	Equity share capital	13	**2,239,668.00**	2,239,668.00
	b)	Other equity	14	**(2,084,668.69)**	(2,081,336.09)
				154,999.31	158,331.91
2		**Non current liabilities**			
	a)	Provisions	15	**246.63**	285.79
				246.63	285.79
3		**Current Liabilities**			
	a)	Financial liabilities			
		i) Trade payables			
		Dues to micro enterprises and small enterprises	16	**-**	-
		Dues to other than micro enterprises and small enterprises	16	**6,770.57**	3,675.02
	b)	Provisions	17	**14.91**	29.43
	c)	Other current liabilities	18	**100.55**	101.64
				6,886.03	3,806.09
		TOTAL :		**162,131.97**	162,423.79
Significant Accounting Policies and Notes forming an integral part of the Financial Statements			**1-40**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953UUJKUO7884

Place : Pune
Date : 29-04-2026

On behalf of the Board of Directors of
BF Infrastructure Limited

Venkata Krishna Mogalapalli
Director
DIN : 06822431

Sunil Kulkarni
Director
DIN : 07228952

Rohit Gogia
Manager

Place : Pune
Date : 29-04-2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Thousands)

		Note No.	For the year ended 31st March, 2026	For the year ended 31st March, 2025
I	**Revenue from operations**	19	**-**	291.77
II	**Other income**	20	**12,597.18**	16,628.43
	Total income		**12,597.18**	16,920.20
III	**Expenses**			
	Purchases of stock in trade	21	**2,447.50**	26,831.64
	(Increase)/Decrease in inventories	22	**(2,447.50)**	(26,831.64)
	Employee benefit expenses	23	**2,742.96**	3,330.45
	Finance costs	24	**0.04**	12.82
	Depreciation & amortisation expense	25	**15.60**	86.16
	Other expenses	26	**13,174.63**	7,296.01
	Total expenses		**15,933.23**	10,725.44
IV	**Profit /(Loss) before Tax**		**(3,336.05)**	6,194.76
V	**Tax Expenses**			
	Current tax		**-**	-
	Deferred tax		**-**	-
			-	-
VI	**Profit /(Loss) for the year after tax**		**(3,336.05)**	6,194.76
VII	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to profit/loss			
	Remeasurement of the net defined benefit liability/asset		**3.45**	10.32
VIII	**Total other comprehensive income, net of tax**		**3.45**	10.32
IX	**Total Comprehensive Income for the year**		**(3,332.60)**	6,205.08
X	**Earnings per share [Face value of ₹ 10/- each]**			
	Basic (in ₹)	32	**(0.01)**	0.03
	Diluted (in ₹)	32	**(0.01)**	0.03
Significant Accounting Policies and Notes forming an integral part of the Standalone Financial Statements		**1-40**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953UUJKUO7884

Place : Pune
Date : 29-04-2026

On behalf of the Board of Directors of
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Director
DIN : 07228952

Rohit Gogia
Manager
Place : Pune
Date : 29-04-2026

Statement for Changes in Equity

for the year ended 31st March, 2026

a. Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos	In ₹ Thousands	Nos	In ₹ Thousands
Balance at the beginning	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00
Changes in equity share capital	**-**	**-**	-	-
Balance at the end	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00

b. Other equity

	Retained earnings	Total Other Equity
	In ₹ Thousands	In ₹ Thousands
Balance as at 1st April, 2024	(2,087,541.17)	(2,087,541.17)
Changes in accounting policies or prior period errors	**-**	-
Restated balance at the beginning of the previous reporting period	(2,087,541.17)	(2,087,541.17)
Profit/ (Loss) from continuing operations	6,194.76	6,194.76
Other Comprehensive Income	10.32	10.32
Balance as at 31st March, 2025	(2,081,336.09)	(2,081,336.09)
Changes in accounting policies or prior period errors	**-**	-
Restated balance at the beginning of the current reporting period	(2,081,336.09)	(2,081,336.09)
Profit/ (Loss) from continuing operations	**(3,336.05)**	**(3,336.05)**
Other Comprehensive Income	**3.45**	**3.45**
Balance as at 31st March, 2026	**(2,084,668.69)**	**(2,084,668.69)**

Significant accounting policies and notes forming an integral part of the standalone financial statements	**1-40**

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953UUJKUO7884

Place : Pune
Date : 29-04-2026

On behalf of the Board of Directors of
BF Infrastructure Limited

Venkata Krishna Mogalapalli
Director
DIN : 06822431

Sunil Kulkarni
Director
DIN : 07228952

Rohit Gogia
Manager

Place : Pune
Date : 29-04-2026

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Thousands)

		Note No.	Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities :**			
	Profit/(Loss) before tax		**(3,336.05)**	6,194.76
	Adjustments :			
	Depreciation		**15.60**	86.16
	Interest Income from deposits		**(5,007.71)**	(4,622.89)
	Interest on Income tax refund		**(25.75)**	(10.06)
	Interest Other		**-**	(165.49)
	Loss on disposal of property, plant and equipment		**2.87**	-
	Liabilities / provisions no longer required written back		**(7,480.21)**	(9,980.66)
	Amounts written off		**7,539.21**	5.90
	Other Comprehensive Income			
	- Remeasurement of the net defined benefit liability/asset		**3.45**	10.32
			(4,952.54)	(14,676.72)
	Operating profit/(loss) before working capital changes		**(8,288.59)**	(8,481.96)
	Movements in working capital :			
	(Increase)/decrease in other non current assets		**2,426.43**	(1,609.34)
	(Increase) / decrease in inventories		**(2,447.50)**	(26,831.64)
	(Increase)/decrease in loans and advances		**(59.00)**	9,974.76
	(Increase) / decrease in other current financial assets		**(4,456.28)**	6,827.94
	(Increase)/decrease in other current assets		**139.59**	(608.84)
	Increase/(decrease) in non-current Provisions		**(39.16)**	(14.51)
	Increase/(decrease) in trade payables		**3,095.55**	(4,214.17)
	Increase/(decrease) in current provisions		**(14.52)**	(425.15)
	Increase/(decrease) in other current liabilities		**(1.09)**	(8,145.46)
			(1,355.98)	(25,046.41)
	Cash generated from operations		**(9,644.57)**	(33,528.37)
	Direct taxes (paid)/refund received (net)		**27,807.25**	(275.21)
	Net cash flows from operating activities	**(A)**	**18,162.68**	(33,803.58)
(B)	**Cash flow from investing activities :**			
	(Investments In)/Liquidation of fixed deposits		**(33,860.80)**	(8,651.42)
	Interest income		**5,007.71**	4,788.38
	Net cash flows used in investing activities	**(B)**	**(28,853.09)**	(3,863.04)
(C)	**Cash flow from financing activities :**		**-**	-
	Net cash from/(used in) financing activities	**(C)**	**-**	-
	Net changes in cash and cash equivalents (A+B+C) :		**(10,690.41)**	(37,666.62)

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Thousands)

	Note No.	Year ended 31st March, 2026	Year ended 31st March, 2025
Cash and Cash Equivalents, at the beginning :		**13,840.49**	51,507.11
Add : Net changes in cash and cash equivalents, as above		**(10,690.41)**	(37,666.62)
Cash and Cash Equivalents, at the close :		**3,150.08**	13,840.49
Cash and Cash Equivalents :			
Cash and Bank Balances:		**3,150.08**	13,840.49
		3,150.08	13,840.49
Significant Accounting Policies and Notes forming an integral part of the Financial Statements	**1-40**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953UUJKUO7884

Place : Pune
Date : 29-04-2026

On behalf of the Board of Directors of
BF Infrastructure Limited

Venkata Krishna Mogalapalli
Director
DIN : 06822431

Sunil Kulkarni
Director
DIN : 07228952

Rohit Gogia
Manager

Place : Pune
Date : 29-04-2026

Notes Forming Part of the Financial Statements

for the year ended 31st March, 2026

1. CORPORATE INFORMATION:

BF Infrastructure Limited is a public limited company incorporated on 5th July, 2010. The Company is engaged in the business of Engineering, Procurement and Construction (EPC) contractors and infrastructure projects. The Company is a wholly owned subsidiary of Bharat Forge Limited. Corporate Identity Number of the Company is U45203PN2010PLC136755.

In view of Rule 6 of the Companies (Accounts) Rules, 2014, the Company has decided not to present consolidated financial statements for the year ended 31st March 2026, since its Holding Company, Bharat Forge Limited is going to present the consolidated financial statements and the conditions prescribed said rule have been complied with.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 29th April, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest Thousand.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Investment in subsidiaries, associates and joint ventures :

The Company has accounted for its investment in subsidiaries, associates and joint ventures at cost, less accumulated impairment. (Refer to note 2.17).

2.5 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 35)

b) Financial instruments (including those carried at amortized cost) (note 36)

c) Quantitative disclosures of fair value measurement hierarchy (note 37)

2.6 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

d) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.17.

e) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

g) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

h) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.7 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress and investment property are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment or investment property are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being

provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

The estimated useful lives of items of property, plant and equipment are given below

Type of Asset		Estimated useful life
i)	Plant and Machinery	15 years
ii)	Computer and Data Processing Equipment	
	(a) Servers and networks	6 years
	(b) Other end user devices	3 years
iii)	Furnitures and Fixtures	10 years
iv)	Office Equipment	5 years

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Company amortises intangible assets on a straight line basis over the useful life of the asset as mentioned below:

Type of Asset		Estimated useful life
i)	Software	3 years
ii)	Customer Contracts	18 months approx.
ii)	Technical Knowhow	34 months approx.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

ii) Its intention to complete and its ability and intention to use or sell the asset

iii) How the asset will generate future economic benefits

iv) The availability of resources to complete the asset

v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.10 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependant on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in the arrangement.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Estimated useful life
Building	amortised over the period of lease deed executed

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.14 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Inventories :

a) Raw Materials :

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. The costs are determined using the weighted average method.

b) Work-in-progress and Finished Goods :

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The costs are determined using the weighted average method.

2.13 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.14 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.15 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that

reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Retirement and other employee benefits :

a) Gratuity :

The Company operates a defined benefits plan for its employees. Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

i The date of the plan amendment or curtailment, and

ii The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii Net interest expense or income

b) Privilege leave benefits :

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.17 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the

statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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, financial guarantee contracts and derivative financial instruments.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

ii Loans and borrowings

This is the category most relevant to the Company. 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.18 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.19 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.20 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.21 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.22 Cash flow statement :

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.

3 PROPERTY, PLANT AND EQUIPMENT :

(In ₹ Thousands)

	Office Equipment	Computers	Total
GROSS BLOCK, AT COST :			
As at 1st April, 2024	118.46	270.09	388.55
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2025	118.46	270.09	388.55
Additions	**-**	**-**	**-**
Disposals/Transferred	**(71.46)**	**-**	**(71.46)**
As at 31st March, 2026	**47.00**	**270.09**	**317.09**
DEPRECIATION AND AMORTIZATION :			
Upto 1st April, 2024	108.45	171.57	280.02
Disposals	-	-	-
For the year	2.79	83.37	86.16
Upto 31st March, 2025	111.24	254.94	366.18
Disposals/Transferred	**(68.59)**	**-**	**(68.59)**
For the year	**1.99**	**13.61**	**15.60**
Upto 31st March, 2026	**44.64**	**268.55**	**313.19**
NET BLOCK :			
As at 31st March, 2025	7.22	15.15	22.37
As at 31st March, 2026	**2.36**	**1.54**	**3.90**

a) The Company has not revalued any property, plant and equipment during the year.

4 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES :

(In ₹ Thousands)

No of shares held			As at 31st March, 2026	As at 31st March, 2025
As at 31st March, 2026	As at 31st March, 2025			
(At Cost)				
Equity Instruments, Unquoted :				
Investments in wholly owned subsidiary :				
10,000	10,000	Equity shares having Face value of ₹ 10/- each, fully paid up, of Ferrovia Transrail Solutions Private Limited	**4,117.65**	4,117.65
		Less : Provision for impairment in the value of investment	**(4,117.65)**	(4,117.65)
		TOTAL :	**-**	-

5 OTHER FINANCIAL ASSETS (NON-CURRENT) :

(Unsecured, considered good)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Deposits with banks with more than twelve months maturity[(a)]	**17,803.36**	16,518.06
TOTAL :	**17,803.36**	16,518.06
(a) Includes deposits held as security for various government authorities	**1,524.09**	1,430.80

6 INCOME TAX ASSETS (NET) (NON-CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Tax paid in advance (net)	**2,438.67**	30,220.17
TOTAL :	**2,438.67**	30,220.17

7 OTHER ASSETS (NON-CURRENT) :

(Unsecured)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**1,548.80**	3,975.23
TOTAL :	**1,548.80**	3,975.23

8 INVENTORIES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Raw materials and components	**29,279.14**	26,831.64
TOTAL :	**29,279.14**	26,831.64

9 CASH AND BANK BALANCES

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents		
Balances with banks		
In current accounts	**3,069.41**	13,790.77
Cash on hand	**45.46**	49.72
Cheques in hand	**35.21**	-
SUB TOTAL :	**3,150.08**	13,840.49
Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	**93,730.14**	61,154.64
SUB TOTAL :	**93,730.14**	61,154.64
TOTAL :	**96,880.22**	74,995.13

10 LOANS (CURRENT) :

(Unsecured)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Loans to related parties		
Doubtful	**44,588.62**	52,068.83
Less : Allowances for credit losses	**(44,588.62)**	(52,068.83)
	-	-
TOTAL :	**-**	-

For terms and conditions relating to related party receivable refer Note No. 29.

11 OTHER FINANCIAL ASSETS (CURRENT) :

(Unsecured, considered good)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Security deposits	**60.00**	-
Other Receivable	**13,264.37**	8,868.09
TOTAL :	**13,324.37**	8,868.09

For terms and conditions relating to related party receivable refer Note No. 29.

12 OTHER ASSETS (CURRENT) :

(Unsecured, considered good)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Prepaid Expenses	**192.43**	231.71
Excess Funding of Liability for Employees Group Gratuity	**661.08**	761.39
TOTAL :	**853.51**	993.10

13 EQUITY SHARE CAPITAL :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Authorised :		
237,600,000 (237,600,000) Equity Shares of ₹ 10/-, each	**2,376,000.00**	2,376,000.00
TOTAL :	**2,376,000.00**	2,376,000.00
Issued, Subscribed and Paid up :		
223,966,800 (223,966,800) Equity Shares of ₹ 10/-, each, fully paid up	**2,239,668.00**	2,239,668.00
TOTAL :	**2,239,668.00**	2,239,668.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	**In ₹ Thousands**	No. of Shares	In ₹ Thousands
Balance at the beginning of the year	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00
Add: Shares issued during the year	**-**	**-**	-	-
Balance at the close of the year	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00

(b) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	**In ₹ Thousands**	No. of Shares	In ₹ Thousands
Equity shares of ₹ 10 each, fully paid				
Bharat Forge Limited#	**223,966,800**	**2,239,668.00**	223,966,800	2,239,668.00

including the shares held through nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	**%**	No. of Shares	%
Bharat Forge Limited, the Holding Company#	**223,966,800**	**100.00**	223,966,800	100.00

including the shares held through nominees

(e) Shares held by Promoters at the end of the year

Promoter Name	As at 31st March, 2026		% change during the year
	No. of shares	% of total shares	
Bharat Forge Limited, the Holding Company#	**223,966,800**	**100.00**	**0.00%**

including the shares held through nominees

Promoter Name	As at 31st March, 2025		% change during the year
	No. of shares	% of total shares	
Bharat Forge Limited, the Holding Company#	223,966,800	100.00	0.00%

including the shares held through nominees

14 OTHER EQUITY :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
Deficit in the Statement of Profit and Loss		
As per last account	**(2,081,336.09)**	(2,087,541.17)
Add : Profit/ (Loss) for the year	**(3,336.05)**	6,194.76
Other comprehensive income for the year	**3.45**	10.32
Closing balance	**(2,084,668.69)**	(2,081,336.09)

15 PROVISIONS (NON-CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits :		
Compensated absences (Refer note 26)	**246.63**	285.79
TOTAL :	**246.63**	285.79

16 TRADE PAYABLES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	6,770.57	3,675.02
TOTAL :	6,770.57	3,675.02

Trade payables are non-interest bearing and are generally settled on 30 to 45 days terms.

Trade payables ageing schedule for the year ended as on 31st March, 2026 and 31st March, 2025

(In ₹ Thousands)

	Outsanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026						
i) MSME	-	-	-	-	-	-
ii) Other than MSME	3,503.19	3,267.38	-	-	-	6,770.57
iii) Disputed - MSME	-	-	-	-	-	-
iv) Disputed - Other than MSME	-	-	-	-	-	-
	3,503.19	3,267.38	-	-	-	6,770.57
As at 31st March, 2025						
i) MSME	-	-	-	-	-	-
ii) Other than MSME	2,431.98	1,243.04	-	-	-	3,675.02
iii) Disputed - MSME	-	-	-	-	-	-
iv) Disputed - Other than MSME	-	-	-	-	-	-
	2,431.98	1,243.04	-	-	-	3,675.02

* Unbilled represents accrual of expenses

17 PROVISIONS (CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits :		
Compensated absences (Refer note no. 27)	14.91	29.43
TOTAL :	14.91	29.43

18 OTHER LIABILITIES (CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	100.55	101.64
TOTAL :	100.55	101.64

19 REVENUE FROM OPERATIONS :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products	-	-
Sale of services	-	291.77
TOTAL :	-	291.77

Disaggregate revenue information :

The table below presents disaggregated revenues from contracts with customers by geographical segments.

Revenue by geographical segments :

Within India	-	291.77
Outside India	-	-
TOTAL :	-	291.77

Reconciliation for revenue as per Statement of profit & loss and the contracted price arising on account of various adjustments:

(In ₹ Thousands)

	As at 31st March 2026	As at 31st March 2025
Revenue recognised as per Statement of Profit & loss		
Sale of products	-	-
Sale of services	-	291.77
	-	291.77
Add : Adjustments	-	-
Contract Price	-	291.77

20 OTHER INCOME :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest Income		
On bank deposits	**5,007.71**	4,622.89
On income tax refund	**25.75**	10.06
On others	-	165.49
Liabilities/provisions no longer required written back	**7,480.21**	11,829.99
Miscellaneous income	**83.51**	-
TOTAL :	**12,597.18**	16,628.43

21 PURCHASES OF STOCK IN TRADE :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Purchases of stock in trade	**2,447.50**	26,831.64
TOTAL :	**2,447.50**	26,831.64

22 (INCREASE)/DECREASE IN INVENTORIES :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Stock in trade at the beginning of the year	**26,831.64**	-
Stock in trade at the end of the year	**(29,279.14)**	(26,831.64)
TOTAL :	**(2,447.50)**	(26,831.64)

23 EMPLOYEE BENEFIT EXPENSES :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages	**2,500.57**	3,119.72
Contributions to		
- Provident fund	**132.82**	154.41
- Gratuity expenses/(reversal)	**107.82**	52.40
Staff welfare expenses	**1.75**	3.92
TOTAL :	**2,742.96**	3,330.45

24 FINANCE COSTS :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Other interest*	**0.04**	12.82
TOTAL :	**0.04**	12.82

* Other interest includes interest on statutory liabilities, etc.

25 DEPRECIATION & AMORTISATION EXPENSE :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Property, plant and equipment	**15.60**	86.16
TOTAL :	**15.60**	86.16

26 OTHER EXPENSES :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Repairs and maintenance - others	**39.50**	14.00
Rent expenses	**240.00**	247.20
Rates and taxes	**-**	3,097.98
Insurance	**291.03**	376.49
Legal and professional fees	**3,905.48**	1,414.86
Travelling and conveyance	**14.06**	170.01
Foreign exchange fluctuation (loss)	**-**	88.07
Payment to auditors [Refer note (a) below]	**290.00**	275.00
Provision for oil block activity	**718.96**	-
Allowances for credit losses	**-**	1,425.66
Amounts written off	**7,539.21**	5.90
Miscellaneous expenses#	**136.39**	180.84
TOTAL :	**13,174.63**	7,296.01

Miscellaneous expenses includes Telephone & internet expenses, BG commission, Bank charges,etc.

Note (a) : Payments to auditors (Exclusive of GST, wherever applicable) :

(In ₹ Thousands)

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
As auditor:		
- Audit fee	**275.00**	275.00
- Certification fees	**15.00**	-
TOTAL :	**290.00**	275.00

27 DISCLOSURE PURSUANT TO IND AS 19 ON "EMPLOYEE BENEFITS"

(a) Defined contribution plans :

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the funds. The Company recognized ₹ 132.82 thousands (Previous Year: ₹ 154.41 thousands) for the provident fund contributions in the statement of profit and loss. The contributions payable to this plan by the Company are at the rates specified in respective legislations.

(b) Gratuity plan :

The Company has a defined benefit gratuity plan for its employees. The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 day's salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The Plan is funded as on the valuation date.

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability risks :

a) Asset-Liability mismatch risk :

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk :

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk :

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks :

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	Year ended 31st March, 2026	Year ended 31st March, 2025
Mortality table	**IALM 2012-14 Ult**	IALM 2012-14 Ult
Discount rate	**7.20%**	6.80%
Expected rate of return on plan assets	**6.80%**	7.20%
Salary Growth Rate	**6.00%**	6.00%
Expected average remaining working lives (in years)	**7.55**	14.24
Withdrawal rate	**1.00%**	1.00%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the beginning of the year	**648.99**	1,780.36
Transfer In/(Out)[(a)]	**-**	-
Interest expense	**40.65**	84.36
Past service cost*	**110.95**	-
Current service cost	**48.67**	52.40
Benefits (paid)	**(102.40)**	(1,217.36)
Remeasurements on obligation [Actuarial (Gain) / Loss]	**(56.38)**	(50.77)
Present value of obligation as at the end of the year	**690.48**	648.99

* Change in salary structure due to wage conde revision.

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Fair value of plan assets at the beginning of the year	**1,410.38**	1,344.13
Interest Income	**92.56**	97.12
Contributions	**3.94**	9.58
Mortality Charges and Taxes	**-**	-
Benefits paid	**(102.40)**	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	**(52.92)**	(40.45)
Fair value of plan assets at the end of the year	**1,351.56**	1,410.38
Actual return on plan assets	**39.64**	56.67

Net Interest (Income/Expense) (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest (Income) / Expense – Obligation	**40.65**	84.36
Interest (Income) / Expense – Plan assets	**(92.56)**	(97.12)
Net Interest (Income) / Expense for the period	**(51.91)**	(12.76)

Remeasurement for the period [Actuarial (Gain)/loss] (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Experience (Gain) / Loss on plan liabilities	**36.68**	(70.12)
Demographic (Gain) / Loss on plan liabilities	**-**	-
Financial (Gain) / Loss on plan liabilities	**(19.70)**	19.34
Experience (Gain) / Loss on plan assets	**47.47**	36.40
Financial (Gain) / Loss on plan assets	**5.45**	4.05

Amount recognised in Statement of Other comprehensive Income (OCI)

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening amount recognised in OCI outside profit and loss account	**(582.58)**	(572.26)
Remeasurement for the period-Obligation (Gain)/Loss	**(56.37)**	(50.77)
Remeasurement for the period-Plan assets (Gain)/Loss	**52.92**	40.45
Total Remeasurement cost/(credit) for the period recognised in OCI	**(3.45)**	(10.32)
Closing amount recognised in OCI outside profit and loss account	**(586.03)**	(582.58)

The amounts to be recognised in the Balance Sheet (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the end of the period	**690.48**	648.99
Fair value of plan assets as at the end of the period	**1,351.56**	1,410.38
Surplus/(Deficit)	**661.08**	761.39
Current Liability	**-**	-
Non Current Liability	**-**	-
Net Asset / (liability) to be recognised in balance sheet	**661.08**	761.39

Expense recognised in the statement of profit and loss (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current service cost	**48.67**	52.40
Past service cost	**110.95**	-
Net Interest (Income) / Expense	**(51.91)**	(12.76)
Transfer In /(Out)	**-**	-
Net periodic benefit cost recognised in the statement of profit and loss	**107.71**	39.64

Reconciliation of Net Asset/(Liability) recognised: (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Net asset / (liability) recognised at the beginning of the period	**761.39**	(436.23)
Company contributions	**3.94**	9.58
Benefits directly paid by company	**-**	1,217.36
Expense recognised at the end of period	**(107.71)**	(39.64)
Amount recognised outside profit & loss for the period	**3.45**	10.32
Mortality Charges and Taxes	**-**	-
Transfer In /(Out)	**-**	-
Net asset / (liability) recognised at the end of the period	**661.07**	761.39

The Company expects to contribute ₹ NIL thousands to the gratuity fund in the next year (31st March, 2025 : 48 thousands)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Year ended 31st March, 2026	Year ended 31st March, 2025
Funds managed by insurer	**100%**	100%

Sensitivity analysis

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

(In ₹ Thousands)

Discount rate	Present value of obligation	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in discount rate by 100 basis points	**643.96**	602.10
Decrease in discount rate by 100 basis points	**740.98**	701.12

Impact of change in salary increment rate when base assumption is decreased/increased by 100 basis point

(In ₹ Thousands)

Salary increment rate	**Present value of obligation**	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in salary increment rate by 100 basis points	**734.15**	695.06
Decrease in salary increment rate by 100 basis points	**649.15**	606.46

Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

(In ₹ Thousands)

Withdrawal rate	**Present value of obligation**	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in withdrawal rate by 100 basis points	**692.50**	650.85
Decrease in withdrawal rate by 100 basis points	**688.37**	646.99

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

(In ₹ Thousands)

Year Ending	**31st March, 2026**	31st March, 2025
Within one year	**12.00**	73.00
After one year but not more than five years	**71.00**	57.00
After five years but not more than ten years	**1,594.00**	1,432.00

(c) Other Long Term Employee Benefits :

The table below gives summary of the Company's obligations for other long term employee benefits in the form of compensated absences.

(In ₹ Thousands)

Sr. No.		**As at 31st March, 2026**	As at 31st March, 2025
1	Present Value of Obligation	**261.54**	315.22
2	Fair Value of Plan Assets	**-**	-
3	Net asset/(liability) recognized in the Balance Sheet	**261.54**	315.22

28 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is engaged in the business of Engineering, Procurement and Construction (EPC) contractors and infrastructure projects; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit/(loss) as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit/(loss) of the sole reportable segment.

29 RELATED PARTY DISCLOSURE :

A. Related Parties and their relationships :

a) Holding Company :
- i) Bharat Forge Limited

b) Subsidiaries :
- i) BFIL- CEC JV
- ii) Ferrovia Transrail Solutions Private Limited

c) Fellow Subsidiaries :
- i) Kalyani Strategic Systems Limited
- ii) Eternus Performance Materials Private Limited

d) Key Managerial Personnel :
- i) Mr. Venkata Krishna Mogalapalli - Director
- ii) Mrs. Deepti Rajeev Puranik - Director
- iii) Mr. Sunil Kulkarni - Director
- iv) Mr. Rohit Gogia - Manager
- v) Ms. Sneha Modi - Company Secretary (Resigned w.e.f. 4th December, 2024)
- vi) Mr. Vineet Vashisht - Chief Financial Officer (Resigned w.e.f. 24th December, 2025)
- vii) Mrs. Ankita Panchbhai - Company Secretary (Appointed w.e.f. 7th May, 2025 and Resigned w.e.f. 6th April, 2026) (on deputation from a holding company)

B. Related party transaction : (In ₹ Thousands)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	**Managerial remuneration**	**Key Managerial Personnel**		
		Mr. Rohit Gogia	**2,138.76**	2,056.65
		Ms. Sneha Modi	**-**	481.23
		Mr. Vineet Vashisht	**480.16**	650.60
3	**Expenses incurred/payments made by the Company on behalf of the related parties**	**Holding Company**		
		Bharat Forge Limited	**-**	384.85
		Subsidiary Company		
		Ferrovia Transrail Solution Pvt. Ltd	**455.49**	291.77
		Fellow Subsidiary Company		
		Kalyani Strategic Systems Limited	**1,280.46**	10,229.90

(In ₹ Thousands)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
4	**Expenses incurred/payments made by related parties on behalf of the Company**	**Fellow Subsidiary Company**		
		Kalyani Strategic Systems Limited	-	2,775.07
		Key Managerial Personnel		
		Mr. Rohit Gogia	**9.60**	37.73
		Ms. Sneha Modi	-	1.75
		Mr. Vineet Vashisht	-	2.42
5	**Loans Given**	**Subsidiary Company**		
		Ferrovia Transrail Solution Pvt. Ltd	-	385.04
		BFIL-CEC JV	**59.00**	94.97
6	**Receipt of Loan given**	**Subsidiary Company**		
		Ferrovia Transrail Solution Pvt. Ltd	-	10,000.00
		BFIL-CEC JV	-	800.00
7	**Loans Written off**	**Subsidiary Company**		
		BFIL-CEC JV	**7,539.21**	-
8	**Purchase of Goods**	**Fellow Subsidiary Company**		
		Eternus Performance Materials Private Limited	-	3,027.28
9	**Rent paid**	**Holding Company**		
		Bharat Forge Limited	**240.00**	247.20
10	**Provision for doubtful advance written back**	**Subsidiary Company**		
		Ferrovia Transrail Solution Pvt. Ltd	-	9,275.60
		BFIL-CEC JV	**7,480.21**	705.03

C. Balance outstanding : (In ₹ Thousands)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
1	**Loan given**	**Subsidiary Companies**		
		Ferrovia Transrail Solution Pvt. Ltd	**44,588.61**	44,588.61
		BFIL-CEC JV	**-**	7,480.21
2	**Non-current Investment**	**Subsidiary Companies**		
		Ferrovia Transrail Solution Pvt. Ltd	**4,117.65**	4,117.65
3	**Other receivable and Consideration receivable for sale of business**	**Fellow Subsidiaries**		
		Kalyani Strategic Systems Limited	**9,722.89**	8,868.09
4	**Rent payable**	**Holding Company**		
		Bharat Forge Limited	**21.60**	**-**
5	**Salary payable**	**Key Managerial Personnel**		
		Mr. Rohit Gogia	**207.64**	199.03
		Ms. Sneha Modi	**-**	66.50
		Mr. Vineet Vashisht	**-**	60.50

Terms and Conditions :

(a) Remuneration paid to the key managerial personnel as per terms of appointment.

(b) All other transactions are in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

30 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF : (In ₹ Thousands)

		As at 31st March, 2026	As at 31st March, 2025
a)	Claims against the Company not acknowledged as debts		
	Income Tax Demand - matter under dispute[(i)]	**-**	135,405.17
	Claims Under Legal Cases[(ii)]	**-**	770,000.00
	Custom Duty Demand[#(iii)]	**4,769.03**	4,769.03
	TOTAL :	**4,769.03**	910,174.20

Excludes interest and penalty

(i) During the previous year, the Company had disclosed certain tax demands under dispute as contingent liabilities and had filed an application under the Direct Tax Vivad se Vishwas Scheme, 2024 for which final order was awaited as at the end of the previous year.

During the current year, the Company has received an order for full and final settlement of the tax arrears under the aforesaid scheme, pursuant to which no amount is payable by the Company. Accordingly, the disputed tax matter stands resolved, and there is no subsisting contingent liability in respect of the said matter as at the end of financial year.

(ii) In the previous year, the Company had disclosed a contingent liability in respect of an arbitral award dated 10th May, 2019, arising out of arbitration proceedings relating to the termination of a Share Purchase Agreement dated 18th December, 2010.

During the year, the said arbitral award has been set aside by the Hon'ble Delhi High Court vide its order dated 26th May, 2025. The Hon'ble Court held that the appointment of the arbitrator was void ab initio and that the arbitral proceedings were not valid in law. Consequently, the enforcement petition filed by the claimant has also been dismissed. Based on the this order and legal advice obtained, the management is of the view that no obligation exists as at the reporting date and accordingly, no contingent liability is required to be disclosed in respect of this matter. However, the Company will continue to monitor any further legal developments in this regard.

(iii) The Company has received demand notice u/s 28 of Customs Act, 1962. The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appeallate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management based on its internal assessment and advice by its legal counsel believes that the likelihood of any outflow in the future is remote accordingly the same has not been accounted in the books.

Note : In cases where the amounts have been accrued, it has not been included above.

31 LEASES :

Company as lessee :

The Company has a lease contract for building used in its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company applies the 'short-term lease' recognition exemptions for this lease.

The following are the amounts recognised in the statement of profit and loss: (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Expenses relating to short-term leases (included in other expenses)	**240.00**	247.20
TOTAL :	**240.00**	247.20

32 EARNING PER SHARE :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Profit/(Loss) for the year (In ₹ Thousands)	**(3,336.05)**	6,194.76
Weighted average number of equity shares for basic EPS [Face value of ₹ 10/- each]	**223,966,800**	223,966,800
Weighted average number of equity shares for diluted EPS [Face value of ₹ 10/- each]	**223,966,800**	223,966,800
Basic earning per share (in ₹)	**(0.01)**	0.03
Diluted earning per share (in ₹)	**(0.01)**	0.03

33 INCOME AND DEFERRED TAXES :

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2026 and 31st March 2025:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Accounting profit before tax	**(3,336.05)**	6,194.76
Income tax @ applicable rate of 25.17% (31st March, 2025: 25.17%)	**-**	1,417.40
Deferred tax savings on current year accounting loss	**(839.68)**	
Tax effects on non-deductible expenses	**3.48**	9.53
Deferred tax assets on unabsorbed depreciation and business losses of current year not recognised	**2,763.15**	2,792.07
Deferred tax assets on tax disallowances not recognised in earlier years	**(1,926.95)**	(4,218.99)
At the effective income tax rate	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

b) The Company has not recognized deferred tax asset in respect of timing differences on account of business loss aggregating to ₹ 41,282 thousands (Previous Year: ₹ 3,15,119 thousands) and on account of other disallowances including unabsorbed depreciation aggregating to ₹ 18,310 thousands (Previous Year: ₹ 20,021 thousands) under the Income Tax Act, 1961.

34 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the company has sent confirmations to all its suppliers. Based upon the confirmations received as of 31st March, 2026 and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

A) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products or services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a

significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

b) Defined benefit plans

The cost of defined benefit gratuity plan and present value of such obligation are determined using actuarial valuation. 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note no. 27.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 36 and 37 for further disclosures.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

e) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete, slow-moving and items where net realizable value is below cost. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

f) Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

g) Litigations

The Company has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cashflows. The Company's legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, the management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a law suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Considering the facts on hand and the current stage of certain ongoing litigations the Company foresees a remote risk of any material claim arising from claims against the Company. The Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Company.

h) Current / Non-Current Classification

The Company evaluates funds requirement on the basis of internal budgets and forecasts and believes that on the basis of current scale of operations and cash realisation cycle, it would be able to generate sufficient funds from operations in order to meet such requirement in the foreseeable future of upto one year.

36 FINANCIAL INSTRUMENTS BY CATEGORY :

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities :

(In ₹ Thousands)

		Carrying value		Fair value	
		As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I)	**Financial assets**				
	Measured at amortised cost				
	Cash and cash equivalents	**3,150.08**	13,840.49	**3,150.08**	13,840.49
	Other bank balances	**93,730.14**	61,154.64	**93,730.14**	61,154.64
	Loans	**-**	-	**-**	-
	Other financial assets	**31,127.73**	25,386.15	**31,127.73**	25,386.15
		128,007.95	100,381.28	**128,007.95**	100,381.28
II)	**Financial liabilities**				
	Measured at amortised cost				
	Trade payables	**6,770.57**	3,675.02	**6,770.57**	3,675.02
		6,770.57	3,675.02	**6,770.57**	3,675.02

Investments in subsidiaries, joint ventures and associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

37 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

38 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposit.

i) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company does not hedge its foreign currency exposures.

iii) Equity price risk

The Company's investment in equity instruments comprise mainly of investments in subsidiaries and associates which are strategic long term investments. Reports on the financial infomation of these entities are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at carrying value was ₹ NIL Thousand (Previous Year : ₹ NIL thousands).

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

C) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ Thousands)

	Less than 1 year	1 year to 5 years	> 5 years	Total
As at 31st March, 2026				
Trade payables	**6,770.57**	**-**	**-**	**6,770.57**
	6,770.57	**-**	**-**	**6,770.57**
As at 31st March, 2025				
Trade payables	3,675.02	-	-	3,675.02
	3,675.02	-	-	3,675.02

39 RATIO ANALYSIS :

	Notes	Numerator	Denominator	31st March 2026	31st March 2025	Variance %
(a) Current ratio	i	Current Assets	Current Liabilities	**20.38**	29.34	-30.54%
(b) Debt-Equity ratio		Total Debts	Shareholders' equity	**-**	-	NA
(c) Debt Service Coverage Ratio		Earnings available for debt service	Debt Service	**-**	-	NA
(d) Return on equity ratio	ii	Profit/(Loss) for the year	Average shareholders' equity	**(0.02)**	0.04	-150.00%
(e) Inventory turnover ratio		Cost of goods sold	Average Inventory	**(0.09)**	-	NA
(f) Trade receivables turnover ratio		Revenue	Average trade receivable	**-**	-	NA
(g) Trade payables turnover ratio	i	Purchases + Other expenses	Average trade payables	**2.99**	5.90	-49.32%
(h) Net capital turnover ratio		Revenue	Working capital	**-**	-	NA
(i) Net profit ratio	ii	Profit for the year	Revenue	**-**	21.23	-100.00%
(j) Return on capital employeed	ii	Earning before interest and taxes	Capital Employed	**(0.02)**	0.04	-150.00%

Notes :

i Decrease in purchase and other expenses has resulted in deterioration in the ratio

ii Losses during the current financial year has resulted in deterioration in the ratio

40 OTHER STATUTORY INFORMATION :

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

(g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software that did not have the audit trail features. The Company is in the process of establishing necessary controls and documentations regarding audit trail.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953UUJKUO7884

Place : Pune
Date : 29-04-2026

On behalf of the Board of Directors of
BF Infrastructure Limited

Venkata Krishna Mogalapalli
Director
DIN : 06822431

Sunil Kulkarni
Director
DIN : 07228952

Rohit Gogia
Manager

Place : Pune
Date : 29-04-2026

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BFIL CEC-JV

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

Opinion

We have audited the financial statements of BFIL CEC-JV (the entity), which comprise the balance sheet as at 31st March 2026, and the Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with applicable Laws.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the preparation of the financial statements in accordance with applicable Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **RMA & Associates LLP**
Chartered Accountants
FRN: 000978N/N500062

Rahul Vashishth
Partner
UDIN: 26097881HXQMGP3400
Membership No. 097881

Place: New Delhi
Date: 27-04-2026

Balance Sheet

as on 31st March 2026

(In ₹ Thousands)

Balance Sheet	Note	As at 31 Mar 2026	As at 31 Mar 2025
ASSETS			
I Non-current assets			
(i) Financial assets			
(j) Income Tax Assets		-	-
(k) Other non-current assets	3	-	4,642.03
II Current assets			
(b) Financial assets			
(v) Cash and cash equivalents	4	238.31	239.73
(vii) Other Financial Assets			
Total Assets		**238.31**	**4,881.76**
EQUITY AND LIABILITIES			
Equity			
(b) Other equity	5	188.31	(2,648.45)
Equity attributable to equity holders of the parent			
LIABILITIES			
(a) Financial liabilities			
I Non-current liabilities			
(d) Other non-current liabilities			
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	-	7,480.21
(ii) Trade Payables			
(ii) Other Current Financial Liabilities	7	5.00	5.00
Dues to other than micro enterprises and small enterprises	7	45.00	45.00
Total Liabilities		**238.31**	**4,881.76**

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No: 097881
UDIN: 26097881HXQMGP3400

Place: New Delhi
Date: 27-04-2026

For BFIL - CEC JV

Rohit Gogia
Authorized Signatory

Place: New Delhi
Date: 27-04-2026

Profit and Loss Account

For the year ending 2026 (In ₹ Thousands)

Particular	Note	As at 31 Mar 2026	As at 31 Mar 2025
Continuing Operations			
Income			
Other income	8	-	433.46
Total Income (i)		**-**	**433.46**
Expenses			
Finance costs	9	1.42	1.42
Other expenses	10	4,701.03	664.92
Total expenses (ii)		**4,702.45**	**666.33**
Profit before share of profit/(loss) of associates, joint ventures, exceptional items and tax from continuing operations(i - ii)		**(4,702.45)**	**(232.87)**
Profit before exceptional items and tax from continuing operations		(4,702.45)	(232.87)
Exceptional Items-(Loss)/Gain	**11**	**7,539.21**	**-**
Profit after exceptional items and tax from continuing operations		**2,836.76**	**(232.87)**
Profit before tax from continuing operations		2,836.76	(232.87)
Tax expenses			
Profit for the year from continuing operations		**2,836.76**	**(232.87)**
Discontinued Operations			
Share of Profit /(Loss) of joint ventures		-	-
		-	-
Profit for the year		**2,836.76**	**(232.87)**
Other Comprehensive Income:			
Share of other comprehensive income in associates and joint ventures		-	-
Share of other comprehensive income arising from discontinued operations		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year, net of tax		**2,836.76**	**(232.87)**

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No: 097881
UDIN: 26097881HXQMGP3400

Place: New Delhi
Date: 27-04-2026

For BFIL - CEC JV

Rohit Gogia
Authorized Signatory

Place: New Delhi
Date: 27-04-2026

Cash Flow Statement

for the year Ended 31st March, 2026 (In ₹ Thousands)

Particulars	For the Year Ended March 31, 2026		For the Year Ended March 31, 2025	
Cash Flow from Operations				
Profit before Taxation		2,836.76		(232.87)
Adjustments for:				
Finance Charges	1.42		1.42	
Interest Income	-	1.42	433.46	434.88
Operating Profit before Working Capital Changes		**2,838.18**		**202.01**
(Increase)/Decrease in Current Assets				
Trade Receivables	-		-	
Other Current Assets	-		-	
Other Non-current Assets	4,642.03		1,088.75	
Other Current Financial Assets	-		-	
		4,642.03		**1,088.75**
Increase/(Decrease) in Current Liabilities				
Trade Payables	-		-	
Other Current Liabilities	-		-	
Short Term Provision			-	
Cash Inflow/(Outflow) from Operations		**7,480.21**		**1,290.75**
Direct Taxes Paid				
Income Tax Paid				-
Income Tax for Earlier years Written Back				-
Net Cash Inflow/ (Outflow) from Operations		**7,480.21**		**1,290.75**
Cash Flow from Financing Activities				
Increase/(Decrease) in Borrowings		(7,480.21)		(705.03)
Interest Income		-		(433.46)
Finance Charges		(1.42)		(1.42)
Net Cash Inflow/(Outflow) from Financing Activities		**(7,481.63)**		**(1,139.91)**
Net Change in Cash or Cash Equivalents during the Year		**(1.42)**		**150.84**
Cash and Cash Equivalents at the beginning of the year		**239.73**		**88.88**
Cash and Cash Equivalents at the end of the year		**238.31**		**239.73**

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No: 097881
UDIN: 26097881HXQMGP3400

Place: New Delhi
Date: 27-04-2026

For BFIL - CEC JV

Rohit Gogia
Authorized Signatory

Place: New Delhi
Date: 27-04-2026

Notes to Financial Statements

for the year ended March 31, 2026

1 CORPORATE INFORMATION

BFIL-CEC JV is a subsidiary of BF Infrastructure Ltd. (BFIL). BFIL-CEC JV has been formed for the purpose of carrying out Design, Supply, Erection, Testing & Commissioning of 25 kV, 50 Hz, Single Phase AC Electrification works including OHE & TSS" as composite Electrical tender in Andal(Excl.) - Sitarampur (Excl.) via Jamuria - Ikhra section, Gr.168 of Asansol Division of Eastern Railway under RE

Project Bhubneswar, Total 57 RKM / 94.1 TKMs.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise except for differences pertaining to Long Term Foreign Currency Monetary Items as mentioned subsequently.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

Further, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

c. Investment in subsidiaries and joint ventures

The Company has accounted for its investment in subsidiaries and joint ventures at cost less accumulated impairment.

d. Fair value measurement

The Company measures financial instruments at fair value on initial recognition.

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: In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

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 economic best 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 financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 financial statements 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 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised. f. Construction Contracts

Project Revenue is recognized by applying percentage of completion method only when the outcome of the construction activity can be estimated reliably. Project revenue and project cost associated to project related activity is recognized as revenue and expense respectively by reference to stage of completion. The stage of completion is either determined with reference to proportion of cost incurred for work performed to the estimated total cost respectively, or with respect to completion of physical proportion of the contract work. Project revenue is recognized when the stage of completion of the project reaches a significant level as compared to the total estimated cost of the project.

Revenue earned in excess of billing is reflected under “Other Current Assets”. Billing to customer in excess of revenue earned is reflected under “Current Liabilities”.

g. Sale of goods

Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods

is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

h. Interest income

The Company recognizes the Interest income on accrual basis, Interest income is included in other income in the statement of profit and loss.

i. Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

j. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 liabilities are recognised for all taxable temporary differences.

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 reduced 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 relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for

which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non- cenvatable excise duty, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The identified components are depreciated over their useful lives; the remaining asset is deprecated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation as follows:

Type of assets	Estimated useful life
Office Equipment	5 years
Furniture & Fixture	10 years
Computer	3 years
Software	3 years
Website	3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

l. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end

of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

n. Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

Dies are valued at cost or net realisable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

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.

o. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase

in the provision due to the passage of time is recognised as a finance cost.

p. Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

q. 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.

Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when: The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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, financial guarantee contracts and derivative financial instruments.

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 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

3. OTHER ASSETS

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Non Current		
Balances with Customs, Excise and Other Govt authorities	-	4,642.03
Security Deposits	-	-
	-	**4,642.03**

4. CASH AND BANK BALANCES

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Cash and cash equivalents		
Balances with banks		
In Cash Credit and Current accounts	238.31	239.73
Cash on hand	-	-
Total	**238.31**	**239.73**

5. OTHER EQUITY

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Special Capital Incentive		
Warrants Subscription Money		
Capital redemption reserve		
Securities premium account		
Debenture redemption reserve		
Opening Balance	-	-
Addition During the year	-	-
Appropriation during the year	-	-
Closing Balance	**-**	**-**
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)		
Hedge reserve		
General reserve		
Foreign Currency Translation Reserve (FCTR)		
Retained Earnings		
Opening Balance	(2,648.45)	(2,415.58)
Add :		
Net Profit for the year	2,836.76	(232.87)
Items of Other Comprehensive Income :		
	2,836.76	**(232.87)**
Closing Balance	**188.31**	**(2,648.45)**

6. BORROWINGS

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Non-current borrowings		
Term loans From banks		
Foreign currency term loans (unsecured)		
Other Loans		
Current borrowings		
Current maturity of term loans from banks		
Foreign currency term loans (unsecured)		
Current maturity of other loans		
From banks		
Foreign currency loans		
Rupee loans		
Loans from companies and directors	-	7,480.21
Total current borrowings	**-**	**7,480.21**
Net current borrowings	**-**	**7,480.21**

7. OTHER LIABILITIES

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Current		
TDS Payable	5.00	5.00
Sundry Creditors	-	-
Provision for Audit Fees	45.00	45.00
Total	**50.00**	**50.00**

8. OTHER INCOME

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Interest on WCT Refund	-	433.46
Other Miscellaneous income	-	-
Total	**-**	**433.46**

9. FINANCE COSTS

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Interest on service Tax	-	-
Bank Charges	1.42	1.42
Total	**1.42**	**1.42**

10. OTHER EXPENSES

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Rent		
Rates and Taxes	9.00	439.36
Amount Written off	4,642.03	48.00
Legal and professional fees	-	127.56
Payment to Auditors	50.00	50.00
Total	**4,701.03**	**664.92**

11. EXCEPTIONAL ITEMS

(In ₹ Thousands)

	As at 31 Mar 2026	As at 31 Mar 2025
Write back of Current Liabilities of borrowings from BF Infrastructure Limited	7,539.21	-
Total	**7,539.21**	**-**

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No: 097881
UDIN: 26097881HXQMGP3400

Place: New Delhi
Date: 27-04-2026

For BFIL - CEC JV

Rohit Gogia
Authorized Signatory

Place: New Delhi
Date: 27-04-2026

Electroforge Limited

Registered Office
S. No. 49, Industry House, Opp Kalyani Steels Ltd, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Electroforge Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Electroforge Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the year then ended 31st March, 2026, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g).

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The Modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under a and b above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

a. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

b. The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953N2JVKX2100

Place: Pune
Date : 30th April, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF ELECTROFORGE LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any intangible assets as on 31st March, 2026. Hence, clause 3(i)(a)(B) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records the Company, the Company does not own any immovable properties. Hence, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion and based on the policy adopted by the management, the frequency of verification by the management is reasonable and the coverage and procedure for such verification were appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties. Hence, clause 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither given any loan to any person or other body corporate nor given any guarantee or provided security in connection with a loan to any other body corporate or person. Similarly, the Company has also not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company. Hence, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, Undisputed statutory dues including Goods and Services Tax, Income-Tax, Duty of Custom,

Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act 1952 do not apply to the Company. According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed dues in respect of Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) The provisions of section 138 of the Companies Act, 2013 do not apply to the Company and no internal audit was carried out during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's as part of the Group.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report and also in the preceding financial year.

₹ in Hundreds

	FY 2025-26	FY 2024-25
Cash losses incurred	**1,28,878.00**	8,599.16

(xviii) There has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953N2JVKX2100

Place: Pune
Date : 30th April, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF ELECTROFORGE LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

Opinion

We have audited the internal financial controls over financial reporting of **Electroforge Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953N2JVKX2100

Place: Pune
Date : 30th April, 2026

Balance sheet

as at 31st March, 2026

(In ₹ Hundreds)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
a)	Capital work-in-progress	3	**308,572.41**	233,322.02
b)	Other non-current assets	4	**2,197,366.67**	2,189,386.63
			2,505,939.08	2,422,708.65
2	**Current assets**			
a)	Inventories	5	**1,512.30**	-
b)	Financial assets			
i)	Cash and cash equivalents	6	**4,004.88**	11,543.45
c)	Other current assets	7	**8,284.18**	20,054.30
d)	Non-current assets classified as held for sale	8	**372,636.81**	-
			386,438.17	31,597.75
	TOTAL :		**2,892,377.25**	2,454,306.40
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
a)	Equity share capital	9	**1,000.00**	1,000.00
b)	Other equity	10	**(335,556.67)**	(13,076.06)
			(334,556.67)	(12,076.06)
2	**Non-current liabilities**			
a)	Financial liabilities			
i)	Borrowings	11	**2,873,062.33**	2,454,675.07
			2,873,062.33	2,454,675.07
3	**Current liabilities**			
a)	Financial Liabilities			
i)	Trade payables	12		
	Dues to micro enterprises and small enterprises		**403.00**	1,111.00
	Dues to other than micro enterprises and small enterprises		**4,794.00**	3,577.13
ii)	Other financial liabilities	13	**339,939.81**	-
b)	Other current liabilities	14	**8,734.78**	7,019.26
			353,871.59	11,707.39
	TOTAL :		**2,892,377.25**	2,454,306.40
Significant accounting policies and notes forming an integral part of the financial statements		1-32		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953N2JVKX2100
Place : Pune
Date : 30 April, 2026

On behalf of the Board of Directors of
Electroforge Limited

Pankaj Sonalkar
Director
DIN. 02685465

Suchi Gandhi
Director
DIN: 10996928

Place : Pune
Date : 30 April, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Hundreds)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I.	**Revenue From operations**		**-**	-
II.	**Other income**	15	**2,186.08**	19.18
	Total Revenue		**2,186.08**	19.18
III.	**Expenses**			
	Purchases of stock in trade	16	**1,512.30**	**-**
	Changes in inventories of stock in trade	17	**(1,512.30)**	**-**
	Finance Cost	18	**113,495.71**	5,205.85
	Other expenses	19	**17,568.37**	3,412.49
	Total expenses		**131,064.08**	8,618.34
IV.	**Loss before exceptional items and tax**		**(128,878.00)**	(8,599.16)
V.	**Exceptional items gain/(Loss)**	20	**(193,602.61)**	**-**
VI.	**Loss before tax**		**(322,480.61)**	(8,599.16)
VII.	**Tax expenses**		**-**	-
VIII.	**Loss for the year**		**(322,480.61)**	(8,599.16)
IX.	**Other comprehensive income**		-	-
X.	**Total comprehensive income for the year**		**(322,480.61)**	(8,599.16)
XI.	**Earnings per equity share [nominal value of ₹ 10/-]**			
	Basic (In ₹)	24	**(3,224.81)**	(85.99)
	Diluted (In ₹)	24	**(3,224.81)**	(85.99)
Significant accounting policies and notes forming an integral part of the financial statements		1-32		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953N2JVKX2100
Place : Pune
Date : 30 April, 2026

On behalf of the Board of Directors of
Electroforge Limited

Pankaj Sonalkar
Director
DIN. 02685465

Suchi Gandhi
Director
DIN: 10996928

Place : Pune
Date : 30 April, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

I. Equity share capital

(In ₹ Hundreds)

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**Total**	Nos.	Total
Balance at the beginning	**10,000**	**1,000.00**	10,000	1,000.00
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning	**10,000**	**1,000.00**	10,000	1,000.00
Changes in equity share capital	**-**	**-**	-	-
As at end of the year	**10,000**	**1,000.00**	10,000	1,000.00

II. Other equity

(In ₹ Hundreds)

		Retained Earnings	Total
Balance as at 31st March, 2024		(4,476.90)	(4,476.90)
Changes in other equity due to prior period errors		-	-
Restated balance at the beginning of the previous reporting period		(4,476.90)	(4,476.90)
Loss for the year		(8,599.16)	(8,599.16)
Other comprehensive income for the year		-	-
Balance as at 31st March, 2025		(13,076.06)	(13,076.06)
Changes in other equity due to prior period errors		**-**	**-**
Restated balance at the beginning of the previous reporting period		**(13,076.06)**	**(13,076.06)**
Loss for the year		**(322,480.61)**	**(322,480.61)**
Other comprehensive income for the year		**-**	**-**
Balance as at 31st March, 2026		**(335,556.67)**	**(335,556.67)**
Significant accounting policies and notes forming an integral part of the financial statements	1-32		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953N2JVKX2100

Place : Pune
Date : 30 April, 2026

On behalf of the Board of Directors of
Electroforge Limited

Pankaj Sonalkar
Director
DIN. 02685465

Suchi Gandhi
Director
DIN: 10996928

Place : Pune
Date : 30 April, 2026

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Hundreds)

			Year ended 31st March, 2026	Year ended 31st March, 2025
I.	**Cash flow from operating activities**			
	Loss before tax		**(322,480.61)**	(8,599.16)
	Interest income		**(24.18)**	(19.18)
	Interest on borrowings		**113,495.71**	5,205.85
	Impairment loss on asset classified as held for sale		**193,602.61**	-
	Operating loss before working capital changes		**(15,406.47)**	(3,412.49)
	Movements in working capital :			
	Increase / (decrease) in other current Assets		**(136,637.46)**	(8,471.47)
	Increase / (decrease) in inventories		**(1,512.30)**	-
	Increase / (decrease) in trade payables		**508.87**	1,332.69
	Increase / (decrease) in other current liabilities		**1,715.52**	(20,480.19)
			(135,925.37)	(27,618.97)
	Cash generated from operations		**(151,331.84)**	(31,031.46)
	Direct taxes paid (net of refunds)		**-**	-
	Net cash flows used in operating activities	**(A)**	**(151,331.84)**	(31,031.46)
II.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital creditors and capital advances)		**(161,122.46)**	(189,260.38)
	Interest income		**24.18**	19.18
	Net cash flows used in investing activities	**(B)**	**(161,098.28)**	(189,241.20)
III.	**Cash flows from financing activities**			
	Proceeds from long term borrowings (net)		**418,387.26**	215,019.60
	Interest on borrowings		**(113,495.71)**	(5,205.85)
	Net cash flows from financing activities	**(C)**	**304,891.55**	209,813.75
IV.	**Net increase in cash and cash equivalents (A+B+C)**		**(7,538.57)**	(10,458.91)
V.	**Cash and cash equivalents at the beginning of the year**		**11,543.45**	22,002.36
VI.	**Cash and cash equivalents at the end of the year**		**4,004.88**	11,543.45

Components of cash and cash equivalents as at		(In ₹ Hundreds)
	As at 31st March, 2026	As at 31st March, 2025
Balances with banks in current accounts	**4,004.88**	11,543.45
	4,004.88	11,543.45

Significant accounting policies and notes forming an integral part of the financial statements	1-32	

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953N2JVKX2100

Place : Pune
Date : 30 April, 2026

On behalf of the Board of Directors of
Electroforge Limited

Pankaj Sonalkar
Director
DIN. 02685465

Suchi Gandhi
Director
DIN: 10996928

Place : Pune
Date : 30 April, 2026

Notes Forming Part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

Electroforge Limited was incorporated on 25th July, 2022, as a public limited company under the Companies Act, 2013. The Company is a subsidiary of Kalyani Powertrain Limited. Corporate Identity Number of the Company is U31909PN2022PLC213390.

During the period covered by these financial statements, the Company is engaged in setting up the business of e-mobility including design, development, manufacture, sales and distribution of electric drive units, electric motors, electric vehicles and certain forged components in the e-mobility sector.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 30th April, 2026

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest hundred rupee.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 25)

b) Quantitative disclosures of fair value measurement hierarchy (note 27)

c) Financial instruments (including those carried at amortized cost) (note 26)

2.5 Revenue from operations :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 25.

a) Sale of Goods :

Revenue from the sale of goods is recognised when the performance obligation is satisfied and usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in note 2.12.

d) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

e) Interest income :

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

f) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

g) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation

authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxs paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.7 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

i. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

ii. Its intention to complete and its ability and intention to use or sell the asset

iii. How the asset will generate future economic benefits

iv. The availability of resources to complete the asset

v. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.9 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.11 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a

liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at

the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.13 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.14 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.15 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash flow statement :

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.

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS:

(In ₹ Hundred)

	Capital work-in-progress
Gross block, at cost :	
As at 31st March, 2024	44,061.64
Additions	-
Disposals	-
Borrowing Costs (Refer note a)	189,260.38
As at 31st March, 2025	233,322.02
Additions	**590,137.91**
Disposals	**-**
Transferred to asset held for sale	**(610,710.99)**
Borrowing Costs (Refer note a)	**95,823.47**
As at 31st March, 2026	**308,572.41**
Depreciation and amortization :	
As at 31st March, 2024	-
Disposals	-
For the period	-
As at 31st March, 2025	**-**
Disposals	**-**
For the year	**-**
Upto 31st March, 2026	**-**
Net block :	
As at 31st March, 2025	233,322.02
As at 31st March, 2026	**308,572.41**

a) Capitalised borrowing costs

The Company capitalises borrowing costs in the capital work-in-progress (CWIP) first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital work-in-progress (CWIP) balances. The borrowing costs capitalised in CWIP during the year ended 31st March, 2026 was ₹ 95,823.47 hundred (31st March, 2025: ₹ 1,89,260.38 hundred). Capitalisation rate is 8.75% p.a.

b) Capital work-in-progress : Ageing Schedule

As at 31st March, 2026				
	Less than 1 year	**1-2 years**	**2-3 years**	**Total**
Projects in progress	**-**	**-**	**-**	**-**
Project temporarily suspended	**88,480.39**	**176,972.98**	**43,119.04**	**308,572.41**

As at 31st March, 2025				
-	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	189,260.38	44,061.64	-	233,322.02
Project temporarily suspended	-	-	-	-

c) The Company has not revalued any property, plant and equipment during the year.

4 OTHER NON - CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Capital advances*	**2,022,548.20**	2,162,975.74
Balances with government authorities	**174,818.47**	26,410.89
TOTAL :	**2,197,366.67**	2,189,386.63

*No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person.

5 INVENTORIES

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Stock in trade	**1,512.30**	-
Total :	**1,512.30**	-

6 CASH AND CASH EQUIVALENTS

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
In current accounts	**4,004.88**	11,543.45
TOTAL :	**4,004.88**	11,543.45

7 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Advance to supplier	**8,284.18**	8,284.18
Others	**-**	11,770.12
TOTAL :	**8,284.18**	20,054.30

8 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Property, Plant and Equipment classified as held for sale*	**372,636.81**	-
TOTAL :	**372,636.81**	-

*Machinery imported during the year classified as "Held for Sale" as it meet the criteria laid out under Ind AS 105. The management intends to return the machine to its vendor as per the agreement. The same is recognised at lower of carrying amount or fair value less cost to sell, consequently loss of Rs. 1,93,602.61 Hundred is recognised in the statement of profit and loss as exceptional item.

9 EQUITY SHARE CAPITAL

(In ₹ Hundreds)

		As at 31st March, 2026	As at 31st March, 2025
Authorised			
10,000	(10,000) Equity shares of ₹ 10/- each	**1,000.00**	1,000.00
Issued, Subscribed and fully paid-up			
10,000	(10,000) Equity shares of ₹ 10/- each	**1,000.00**	1,000.00
Total issued, subscribed and fully paid-up share capital :		**1,000.00**	1,000.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**In ₹ Hundreds**	Nos.	In ₹ Hundreds
At the beginning of the year	**10,000**	**1,000.00**	10,000	1,000.00
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**10,000**	**1,000.00**	10,000	1,000.00

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each, fully paid				
Kalyani Powertrain Limited, the Holding Company#	**10,000**	**100**	10,000	100

Including shares held through Nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each, fully paid				
Kalyani Powertrain Limited, the Holding Company#	**10,000**	**100**	10,000	100

Including shares held through Nominees

(e) Shares held by Promoters

Promoter Name	31st March, 2026		31st March, 2025		% Changes during the year
	No. of Shares	%	No. of Shares	%	
Kalyani Powertrain Limited#	**10,000**	**100**	10,000	100	-

Including shares held through Nominees

Promoter Name	As at 31st March, 2025		As at 31st March, 2024		% Changes during the year
	No. of Shares	%	No. of Shares	%	
Kalyani Powertrain Limited#	10,000	100	10,000	100	-

Including shares held through Nominees

10 OTHER EQUITY

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
Balance as per the last financial statements	**(13,076.06)**	(4,476.90)
Add : Loss for the year	**(322,480.61)**	(8,599.16)
Closing balance	**(335,556.67)**	(13,076.06)

11 LONG TERM BORROWINGS (UNSECURED)

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Loan from the Holding Company[(a)]	**2,873,062.33**	2,454,675.07
TOTAL :	**2,873,062.33**	2,454,675.07

(a) Intercorporate loan from the Holding Company carries interest @ 8.75% p.a.

12 TRADE PAYABLES :

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises (Refer Note no. 23)	**403.00**	1,111.00
Dues to other than micro enterprises and small enterprises	**4,794.00**	3,577.13
TOTAL :	**5,197.00**	4,688.13

For related party transactions, refer note no. 22

Trade payables ageing schedule

	Outstanding for following periods from due date of payment				
	Unbilled	**Less than 1 year**	**1-2 years**	**2-3 years**	**Total**
As at 31st March, 2026					
Undisputed dues to MSME	**-**	**403.00**	**-**	**-**	**403.00**
Undisputed dues to other than MSME	**1,740.00**	**30.00**	**2,224.00**	**800.00**	**4,794.00**
Disputed dues to MSME	**-**	**-**	**-**	**-**	**-**
Disputed dues to other than MSME	**-**	**-**	**-**	**-**	**-**
	1,740.00	**433.00**	**2,224.00**	**800.00**	**5,197.00**
As at 31st March, 2025					
Undisputed dues to MSME	-	1,111.00	-	-	1,111.00
Undisputed dues to other than MSME	2,777.13	-	800.00	-	3,577.13
Disputed dues to MSME	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-
	2,777.13	1,111.00	800.00	-	4,688.13

13 OTHER FINANCIAL LIABILITIES :

	As at 31st March, 2026	As at 31st March, 2025
Payable for capital goods	**339,939.81**	-
TOTAL :	**339,939.81**	-

14 OTHER CURRENT LIABILITIES :

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	**1,932.56**	217.04
Advance received from customer	**6,802.22**	6,802.22
TOTAL :	**8,734.78**	7,019.26

15 OTHER INCOME

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest received on Bank deposits	**24.18**	19.18
Exchange difference (net)	**2,161.90**	-
TOTAL :	**2,186.08**	19.18

16 PURCHASES OF STOCK IN TRADE:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Purchases of stock in trade	**1,512.30**	**-**
TOTAL :	**1,512.30**	**-**

17 CHANGES IN INVENTORIES OF STOCK IN TRADE:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventories at the beginning of the year		
Stock in Trade	**-**	**-**
Inventories at the close of the year		
Stock in Trade	**1,512.30**	**-**
TOTAL :	**(1,512.30)**	**-**

18 FINANCE COSTS

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on borrowings*	**113,495.71**	5,205.85
TOTAL :	**113,495.71**	5,205.85

*Including interest paid to related parties Refer Note 22

19 OTHER EXPENSES

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Rates and taxes	**15,185.72**	257.49
Rent	**1,200.00**	1,200.00
Legal and professional fees	**552.00**	1,350.00
Payment To Auditors [refer note (a) below]	**600.00**	600.00
Miscellaneous expenses	**30.65**	5.00
TOTAL :	**17,568.37**	3,412.49

Note (a) : Payment to auditors

	Year ended 31st March, 2026	Year ended 31st March, 2025
As auditor:		
- Audit fee	**350.00**	350.00
- Income tax matters	**250.00**	250.00
TOTAL :	**600.00**	600.00

20 EXCEPTIONAL ITEMS

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Impairment loss on asset classified as held for sale*	**193,602.61**	-
TOTAL :	**193,602.61**	-

*The Company has classified machinery imported during the year as "Held for Sale" as it meet the criteria laid out under Ind AS 105. The management intends to return the machine to its vendor as per the agreement. The same is recognised at lower of carrying amount or fair value less cost to sell, consequently loss of Rs. 1,93,602.61 Hundred is recognised in the statement of profit and loss as exceptional item.

21 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company was engaged in setting up the business of e-mobility including design, development, manufacture, sales and distribution of electric drive units, electric motors, electric vehicles and certain forged components in the e-mobility sector; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

22 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Ultimate Holding Company :	Bharat Forge Limited
Holding Company :	Kalyani Powertrain Limited
Enterprise under common control :	KTMS Design and Engineering Private Limited
Key Managerial Personnel :	i. Pankaj Uttam Sonalkar, Director
	ii. Sunil Nilkanth Kulkarni, Director
	iii. Suchi Himesh Gandhi, Director

(ii) Related parties with whom transactions have taken place during the year (In ₹ Hundreds)

Sr. No.	Nature of transaction	Year ended 31st March, 2026	Year ended 31st March, 2025
Kalyani Powertrain Limited - Holding Company			
1	Intercorporate loan taken	**230,000.00**	68,500.00
2	Intercorporate loan Repaid	**-**	28,500.00
3	Interest paid on intercorporate loan	**209,319.18**	194,466.23
KTMS Design and Engineering Private Limited - Enterprise under common control			
1	Rent paid	**1,200.00**	1,200.00

Note: All transactions were made on normal commercial terms and conditions and at market rates.

(iii) Balances outstanding (In ₹ Hundreds)

Sr. No.	Nature of transaction	Year ended 31st March, 2026	Year ended 31st March, 2025
Kalyani Powertrain Limited - Holding Company			
1	Intercorporate loan taken	**2,873,062.33**	2,454,675.07

23 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

		Year ended 31st March, 2026	Year ended 31st March, 2025
(i)	Principal amount remaining unpaid to supplier as at the end of the accounting year	**403.00**	1,111.00
(ii)	Interest accrued and due to supplier on the above amount	**-**	-
(iii)	The amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest paid to the supplier in terms of Section 16 of MSMED Act, 2006	**-**	-
(v)	The amount of interest paid to the supplier other than Section 16 of MSMED Act, 2006	**-**	-
(vi)	The amount of interest due and payable to supplier for the payments already made	**-**	-
(vii)	The amount of interest due and remaining unpaid at the end of the year	**-**	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

24 EARNINGS PER SHARE (EPS) :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Loss for the year attributable to shareholders (In ₹ Hundreds)	**(322,480.61)**	(8,599.16)
Weighted average number of equity shares for basic EPS	**10,000**	10,000
Weighted average number of equity shares for diluted EPS	**10,000**	10,000
EPS - Basic (in ₹)	**(3,224.81)**	(85.99)
EPS - Diluted - (in ₹)	**(3,224.81)**	(85.99)

25 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use

calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

26 FINANCIAL INSTRUMENTS BY CATEGORY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(In ₹ Hundreds)

		Carrying value		Fair value	
		As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I)	**Financial assets**				
	Measured at amortised costs				
	Cash and cash equivalents	**4,004.88**	11,543.45	**4,004.88**	11,543.45
	TOTAL :	**4,004.88**	11,543.45	**4,004.88**	11,543.45
II)	**Financial liabilities**				
	Measured at amortised costs				
	Borrowings	**2,873,062.33**	2,454,675.07	**2,873,062.33**	2,454,675.07
	Trade Payables	**5,197.00**	4,688.13	**5,197.00**	4,688.13
	Other financial liabilities	**339,939.81**	-	**339,939.81**	-
	TOTAL :	**3,218,199.14**	2,459,363.20	**3,218,199.14**	2,459,363.20

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

27 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

28 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, etc.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding borrowing is on fixed rate basis and thus the Company is not exposed to risk of fluctuating interest rates.

iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to

the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities:

(In ₹ Hundreds)

	Less than 1 year	1 year to 5 years	> 5 years	Total
As at 31st March, 2026				
Borrowings	**-**	**2,873,062.33**	**-**	**2,873,062.33**
Trade payables	**5,197.00**	**-**	**-**	**5,197.00**
Other financial liabilities	**339,939.81**	**-**		**339,939.81**
TOTAL :	**345,136.81**	**2,873,062.33**	**-**	**3,218,199.14**
As at 31st March, 2025				
Borrowings	-	2,454,675.07	-	2,454,675.07
Trade payables	4,688.13	-	-	4,688.13
Other financial liabilities	-	-	-	-
TOTAL :	4,688.13	2,454,675.07	-	2,459,363.20

29 CAPITAL COMMITMENT :

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	**782,988.46**	1,051,565.06

30 INCOME TAX :

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Accounting loss before tax	**(322,480.61)**	(8,599.16)
At India's enacted tax rate of 25.17%	**-**	-
Deferred tax savings on current year accounting loss	**8,116.84**	223.58
Tax effect of non-deductible expenses	**(8,116.84)**	(223.58)
At the effective income tax rate of 25.17%	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

31 RATIO ANALYSIS :

		Numerator	Denominator	31st March, 2026	31st March, 2025	Variance %
(a)	Current ratio (Refer note no. (i) below)	Current Assets	Current Liabilities	1.09	2.70	-60%
(b)	Trade payables turnover ratio (Refer note no. (ii) below)	Purchases + Other expenses	Average trade payables	3.55	1.24	188%

Notes :

(i) Due to incrase in current liabilities

(ii) Due to incrase in other expenses

(iii) Since the Company has negative net worth and lossess during the current financial year as well as for previous financial year and Revenue from Operations is NIL following rations can not be derived.

Return on equity ratio

Net profit ratio

Net capital turnover ratio

Return on capital employeed

Inventory Turnover Ratio

Debt Equity ratio

Debt service Coverage ratio

Trade Receivable ratio

Return on investment ratio

32 OTHER STATUTORY INFORMATION:

a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

b) There is no proceeding initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of Sections 230 to 237 of the Companies Act, 2013.

f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

h) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company, and accordingly the Company has used accounting softwares for maintaining its books of account which have a

feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. However, the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The Company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software used for maintaining the books of accounts. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953N2JVKX2100

Place : Pune
Date : 30 April, 2026

On behalf of the Board of Directors of
Electroforge Limited

Pankaj Sonalkar
Director
DIN. 02685465

Suchi Gandhi
Director
DIN: 10996928

Place : Pune
Date : 30 April, 2026

Eternus Performance Materials Private Limited

Registered Office

D-71, Five Star M.I.D.C, Kagal Hatkanangale, Tal. Kagal, Dist. Kolhapur, Kagal 416 216

Balance Sheet

as at 31st March, 2026

		Note	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
I	**ASSETS**			
1	**Non-current Assets**			
	(a) Property, plant and equipment	3	**12,296,302**	**12,717,094**
	(b) Right of use asset	4	**695,526**	**703,146**
	(c) Intangible assets	5	**46,797**	**46,797**
	(d) Capital work-in-progress		**-**	**-**
	(e) Financial assets			
	(i) Other financial assets	6	**109,000**	**124,000**
	(f) Other non-current assets	7	**-**	**-**
	(g) Income tax assets (net)	8	**213,243**	**37,994**
			13,360,868	**13,629,031**
2	**Current Assets**			
	(a) Inventories	9	**10,759,670**	**6,894,664**
	(b) Financial Assets			
	(i) Trade receivables	10	**8,115,382**	**4,029,087**
	(ii) Cash and cash equivalents	11	**709,672**	**2,538,402**
	(iii) Other financial assets	12	**10,771,790**	**10,771,790**
	(c) Other Current Assets	13	**187,623**	**176,796**
			30,544,137	**24,410,739**
	TOTAL		**43,905,004**	**38,039,770**

Balance Sheet

as at 31st March, 2026

		Note	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	14	**1,632,260**	**1,632,260**
	(b) Other Equity		**2,914,541**	**-236,903**
			4,546,801	**1,395,357**
2	**Non-current Liabilities**			
	(a) Financial liabilities			
	(i) Long term Borrowings	15	**906,000**	**1,477,200**
	(b) Other non-current liabilities	16	**2,800,000**	**2,800,000**
	(c) Deferred tax liabilities (Net)	17	**(168,800)**	**(168,800)**
			3,537,200	**4,108,400**
3	**Current Liabilities**			
	(a) Financial liabilities			
	(i) Short term borrowings	18	**22,172,524**	**21,514,405**
	(ii) Trade payables			
	Dues of micro enterprises and small enterprises	19		
	Dues of creditors other than micro enterprises and small enterprises	19	**12,690,300**	**9,662,064**
	(iii) Other financial liabilities	20	**-**	**-**
	(b) Other current liabilities	21	**958,179**	**1,359,543**
			35,821,003	**32,536,012**
	TOTAL		**43,905,004**	**38,039,770**
Significant accounting policies and notes forming an integral part of the financial statements		1 to 41		

On behalf of the Board of Directors,
Eternus Performance Materials Private Limited

Rahul S. Pangre
Director
DIN : 05324896

Vyankoji A. Shinde
Director
DIN : 05325712

Place : Kolhapur
Date : 05th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

		Note No.	Year ended 31st March, 2026 (in ₹)	Year ended 31st March, 2025 (in ₹)
I	Revenue from Operations	22	**24,771,346**	**19,991,611**
II	Other Income	23	**448,722**	**579,963**
III	**TOTAL INCOME**		**25,220,068**	**20,571,574**
IV	**EXPENSES**			
	Cost of Material Consumed	24	**6,717,413**	**3,479,907**
	Changes in inventories of Finished Goods	25	**-2,437,255**	**3,027,280**
	Employee Benefit Expenses	26	**11,612,794**	**7,722,682**
	Finance Costs	27	**419,736**	**497,510**
	Depreciation & Amortisation Expense	28	**777,792**	**529,570**
	Other Expenses	29	**4,891,015**	**2,920,134**
	TOTAL EXPENSES		**21,981,495**	**18,177,083**
V	**Profit before tax**		**3,238,573**	**2,394,491**
VI	**Tax (Expense)/Savings**			
	Current tax			
	Deferred tax		-	-
VII	**Profit for the Year**		**3,238,573**	**2,394,491**
VII	**OTHER COMPREHENSIVE INCOME**			
	Total other comprehensive income, net of tax		-	-
VIII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**3,238,573**	**2,394,491**
IX	**Earnings per share (of ₹ 10/- each):**			
	Basic	34	16.19	11.97
	Diluted	34	16.19	11.97
Significant accounting policies and notes forming an integral part of the financial statements		1 to 41		

On behalf of the Board of Directors,
Eternus Performance Materials Private Limited

Rahul S. Pangre
Director
DIN : 05324896

Vyankoji A. Shinde
Director
DIN : 05325712

Place : Kolhapur
Date : 05th May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a. Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	₹	Nos.	₹
Equity shares of ₹ 10/- each issued, subscribed and fully paid up				
As at the beginning of the year	**163,226**	**1,632,260**	**163,226**	**1,632,260**
Equity shares issued during the year			-	-
As at the end of the year	**163,226**	**1,632,260**	**163,226**	**1,632,260**

b. Other equity

	Reserves and surplus	
		Securities premium
		₹
Balance as at 1st April, 2019		60,843
Changes in other equity for the year ended 31st March, 2020		
Received for shares issued during the period	2,912,910	2,912,910
Loss for the year		(592,905)
Balance as at 31st March, 2020	2,912,910	2,380,848
Changes in other equity for the year ended 31st March, 2021		
Prior period errors - Bonus paid	-	**(37,950)**
Loss for the period		**(4,810,260)**
Balance as at 31st March, 2021	**2,912,910**	**(2,467,362)**
Changes in other equity for the year ended 31st March, 2022		
Prior period errors - Bonus paid		
Loss for the period		**(1,077,986)**
Balance as at 31st March, 2022		**(3,545,348)**
Changes in other equity for the year ended 31st March, 2023		
Unpaid Bonus Reversed		**75,135**
Profit (Loss) for the period		**188,430**
		(3,281,783)

b. Other equity

	Reserves and surplus
	Securities premium
	₹
Changes in other equity for the year ended 31st March, 2024	
Unpaid Bonus Reversed	**12,000**
Profit (Loss) for the period	**638,390**
	(2,631,393)
Changes in other equity for the year ended 31st March, 2025	
Unpaid Bonus Reversed	
Profit (Loss) for the period	**2,394,491**
	(236,903)
Changes in other equity for the year ended 31st March, 2026	
Net Profit As Per P and L	**3,238,573**
Unpaid Bonus Reversed Income	**(87,129)**
Audit Fees Excess Amount-Income	
Previous Tds Receivable -Expenses	**(87,129)**
Profit (Loss) for the period	**2,914,541**
Significant accounting policies and notes forming an integral part of the financial statements	1 to 41

On behalf of the Board of Directors,
Eternus Performance Materials Private Limited

Rahul S. Pangre
Director
DIN : 05324896

Vyankoji A. Shinde
Director
DIN : 05325712

Place : Kolhapur
Date : 05th May, 2026

Cash Flow Statement

for the year ended 31st March, 2026

		Year ended 31st March, 2026	Year ended 31st March, 2025
		₹	₹
I.	**Cashflow from operating activities**		
	Loss before tax	**3,238,573**	**2,394,491**
	Add :		
	Depreciation	**777,792**	**529,570**
	Interest on bank borrowings		-
	Income tax expenses		-
	Prior period errors - Bonus paid		-
		4,016,365	**2,924,061**
	Less :		
	Other Income	**448,722**	**(579,963)**
	Operating loss before working capital changes	**4,465,087**	**2,344,098**
	Movements in working capital :		
	Increase / (decrease) in trade payables	**(3,028,236)**	**(1,573,824)**
	Increase / (decrease) in other current liabilities	-	-
	Increase / (decrease) in other non current liabilities	**401,364**	**3,600,784**
	(Increase) / decrease in trade receivable	**(4,086,295)**	**(1,429,391)**
	(Increase) / decrease in other current assets	**10,827**	**(245,084)**
	(Increase) / decrease in other current financial assets	-	**(250,000)**
	(Increase) / decrease in inventories	**3,865,006**	**(4,351,271)**
	(Increase) / decrease in Provisions	**(75,172)**	
	(Increase) / decrease in Debtors Crs Balance W Off	**19,218**	
		(2,893,289)	**(4,248,786)**
	Cash generated from operations	**1,571,799**	**(1,904,688)**
	Direct taxes paid (net of refunds)		
	Net cashflow used in operating activities	**1,571,799**	**(1,904,688)**
II.	**Cashflow from investing activities**		
	Purchase of property, plant and equipment (including capital work in progress)	-	**(434,955)**
	Purchase of intangible assets		
	Transfer of Capital Assets	-	**5,497,867**
	Net cashflow used in investing activities		**5,062,912**

Cash Flow Statement

for the year ended 31st March, 2026

	Year ended 31st March, 2026	Year ended 31st March, 2025
	₹	₹
III. Cashflow from financing activities		
Proceeds from issue of equity shares-Other Equity	**2,631,394**	**2,394,491**
Proceeds from /(Repayment of) short term borrowings	**(955,118)**	**(1,613,237)**
Proceeds from /(Repayment of) long term borrowings	**-**	**(571,199)**
Interest on bank borrowings		**-**
Net cashflow from financing activities	**1,676,276**	**210,056**
IV. Net increase / (Decrease) in cash and cash equivalents (I+II+III)	**3,248,074**	**3,368,279**
V. Cash and cash equivalents at the beginning of the year	**2,538,402**	**829,877**
VI. Cash and cash equivalents at the end of the year	**709,672**	**2,538,402**
Components of cash and cash equivalents :		
Balances with banks		
In current accounts	**684,137**	**2,516,180**
Cash on hand	**25,535**	**22,222**
	709,672	**2,538,402**

Significant accounting policies and notes forming an integral part of the financial statements

On behalf of the Board of Directors,
Eternus Performance Materials Private Limited

Rahul S. Pangre
Director
DIN : 05324896

Vyankoji A. Shinde
Director
DIN : 05325712

Place : Kolhapur
Date : 05th May, 2026

Notes Forming Part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION :

Eternus Performance Materials Private Limited is a private limited company incorporated on 18th July, 2012. The Company is engaged in the business of manufacturing composite materials. The Company is deemed to be a public limited company within the meaning of section 2(71) of the Companies, Act, 2013.

2 SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of accounting and preparation of financial statements :

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest Rupee.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best interest. 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

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.

2.5 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note no. 37.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration.

b) Sale of Services :

Revenue on time and material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to there porting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion.

c) Contract Assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

d) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note no. 2.15.

e) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

g) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

2.6 Government Grants :

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

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 favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.7 Taxes :

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Provision for Deferred Tax is not made in Accounts. Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which 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 are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress and investment property are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including excise duty, wherever

applicable. All the significant costs relating to the acquisition and installation of property, plant and equipment or investment proerty are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Assets under improvement to leased premises are fully depreciated over the lease period of the asset.

The Management's estimate of the useful lives of various fixed assets, which is in line with the provision of Schedule II to the Companies Act, 2013 is given below.

Type of Asset	Estimated useful life
i) Factory buildings	30 years
ii) Computer and data processing equipments	
(a) Servers and networks	6 years
(b) Other end user devices	3 years
iii) Furnitures and fixtures	10 years
iv) Office equipment	5 years
v) Plant and machinery	15 years

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Management's estimate of the useful lives of various intangible assets, which is in line with the provision of Schedule II to the Companies Act, 2013 is given below.

Type of Asset	Estimated useful life
i) Software	3 years

2.10 Inventories :

a) Raw Materials :

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. The costs are determined using the weighted average method.

b) Finished goods :

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The costs are determined using the weighted average method.

2.11 Leases :

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Estimated useful life
i) Leasehold land	95 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.13 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a

liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.14 Retirement and other employee benefits :

a) Short-term Employee Benefits :

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognised during the year when the employees render the service.

b) Post Employment Benefits :

No separate provisions of retirement benefits or privilege leave benefits of such employees are recognized in the books of the Company.

2.15 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost

ii Debt instruments at fair value through other comprehensive income (FVTOCI)

iii Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv Equity instruments measured at fair value through other comprehensive income (FVTOCI)

c) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. 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.

d) Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

e) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 FVTPL category are measured at fair value with all changes recognized in the P&L.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset

to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Financial assets that are debt instruments and are measured as at FVTOCI

iii Lease receivables under Ind AS 116

iv Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

v Loan commitments which are not measured as at FVTPL

vi Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii 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 statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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, financial guarantee contracts and derivative financial instruments.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

ii Loans and borrowings

This is the category most relevant to the Company. 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment

to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Reclassification of financial assets :

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

E Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.16 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.17 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.19 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.20 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

2.21 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

3 PROPERTY, PLANT AND EQUIPMENT :

Fixed Asset Movement Chart As On 31-03-2026

	Leasehold land	Factory building	Computers and printers	Plant and equipment	Furniture and fixtures	Electrical installation	Total
	₹	₹	₹	₹	₹	₹	₹
GROSS BLOCK, AT COST :							
As at 1st April, 2019	724,461	7,375,318	59,459	513,971	226,494	403,848	9,303,551
Additions	-	-	111,535	66,462	179,450	-	357,447
Disposals	-	-	-	-	-	-	-
Reclassification on account of adoption of IND AS 116	(724,461)	-	-	-	-	-	(724,461)
As at 31st March, 2020	-	7,375,318	170,994	580,433	405,944	403,848	8,936,537
Adjustment	-	-	-	(3,157)	3,157	-	-
Additions	-	-	-	347,500	-	-	347,500
Disposals	-	-	-	-	-	-	-
As at 31st March, 2021	-	7,375,318	170,994	924,776	409,101	403,848	9,284,037
Adjustment							
Additions		-	-	726,552	63,550	-	790,102
Disposals							
As at 31st March, 2022	-	7,375,318	170,994	1,651,328	472,651	403,848	10,074,139
Adjustment							
Additions		-	-	-	6,508	-	6,508
Disposals							
As at 31st March, 2023	-	7,375,318	170,994	1,651,328	479,159	403,848	10,080,647
Adjustment							
Additions		166,679	64,407	282,686	62,150	-	575,922
Disposals							
As at 31st March, 2024	-	7,541,997	235,401	1,934,014	541,309	403,848	10,656,569
Adjustment							
Additions			83,540	5,796,242	45,185		5,924,967
Disposals							
As at 31st March, 2025	-	7,541,997	318,941	7,730,256	586,494	403,848	16,581,536
Adjustment							
Additions			-	349,380			349,380
Disposals							
As at 31st March, 2026		7,541,997	318,941	8,079,636	586,494	403,848	16,930,916
DEPRECIATION AND AMORTIZATION :							
As at 1st April, 2019	74,295	995,497	56,486	72,335	79,838	163,402	1,441,853
Disposals	-	-	-	-	-		-
Reclassification on account of adoption of IND AS 116	(74,295)	-	-	-	-	-	(74,295)
For the year	-	236,680	31,810	34,799	35,228	38,837	377,354

	Leasehold land	Factory building	Computers and printers	Plant and equipment	Furniture and fixtures	Electrical installation	Total
	₹	₹	₹	₹	₹	₹	₹
Upto 31st March, 2020	-	1,232,177	88,296	107,134	115,066	202,239	1,744,912
Disposals	-	-	-	-	-		-
Adjustments	-	-	-	-	-	-	-
For the year	-	**236,033**	**35,709**	**41,447**	**39,490**	**38,730**	**391,409**
As at 31st March, 2021	-	**1,468,210**	**124,005**	**148,581**	**154,556**	**240,969**	**2,136,321**
Disposals							
Adjustments							
For the year		233,440	35,316	66,055	40,721	38,304	**413,836**
As at 31st March, 2022	-	**1,701,650**	**159,321**	**214,636**	**195,277**	**279,273**	**2,550,157**
Disposals							
Adjustments							
For the year		**233,440**	**8,829**	**69,356**	**39,518**	**38,304**	**389,447**
As at 31st March, 2023	-	**1,935,090**	**168,150**	**283,992**	**234,795**	**317,577**	**2,939,604**
Disposals							
Adjustments							
For the year		**237,398**	**8,800**	**76,679**	**41,708**	**38,304**	**402,889**
As at 31st March, 2024	-	**2,172,488**	**176,950**	**360,671**	**276,503**	**355,881**	**3,342,493**
Disposals							
Adjustments							
For the year		**249,272**	**20,044**	**180,932**	**42,974**	**28,728**	**521,950**
As at 31st March, 2025	-	**2,421,760**	**196,994**	**541,603**	**319,477**	**384,609**	**3,864,443**
Disposals							
Adjustments							
For the year		**249,272**	**25,992**	**451,188**	**43,720**	-	**770,172**
As at 31st March, 2026	-	**2,671,032**	**222,986**	**992,791**	**363,197**	**384,609**	**4,634,615**
NET BLOCK :							
As at 31st March, 2020	-	6,143,141	82,698	473,299	290,878	201,609	7,191,625
As at 31st March, 2021	-	**5,907,108**	**46,989**	**776,195**	**254,545**	**162,879**	**7,147,716**
As at 31st March, 2022	-	**5,673,668**	**11,673**	**1,436,692**	**277,374**	**124,575**	**7,523,972**
As at 31st March, 2023	-	**5,440,228**	**2,844**	**1,367,336**	**244,364**	**86,271**	**7,141,043**
As at 31st March, 2024	-	**5,369,509**	**58,451**	**1,573,343**	**264,806**	**47,967**	**7,314,076**
As at 31st March, 2025	-	**5,120,237**	**121,947**	**7,188,653**	**267,017**	**19,239**	**12,717,094**
As at 31st March, 2026		**4,870,965**	**95,955**	**7,086,845**	**223,297**	**19,239**	**12,296,302**

Note : The usefull life of ele eqp has been complected and the wdv remains as on 31.03.2026 Is 5% residual value.

4 RIGHT OF USED ASSETS :

	Right of use asset ₹	Total ₹
GROSS BLOCK, AT COST :		
As at 1st April, 2019.	-	-
Additions	-	-
Disposals	-	-
Reclassification on account of adoption of Ind AS 116	724,461	
As at 31st March, 2020.	724,461	724,461
Additions	**99,400**	**99,400**
Disposals	**-**	**-**
As at 31st March, 2021.	**823,861**	**823,861**
Additions		
Disposals		
As at 31st March, 2022.	**823,861**	**823,861**
Additions		
Disposals		
As at 31st March, 2023.	**823,861**	**823,861**
Additions		
Disposals		
As at 31st March, 2024.	**823,861**	**823,861**
Additions		
Disposals		
As at 31st March, 2025.	**823,861**	**823,861**
Additions		
Disposals		
As at 31st March, 2026.	**823,861**	**823,861**
DEPRECIATION AND AMORTIZATION :		
Upto 1st April, 2019.	-	-
Disposals	-	-
Reclassification on account of adoption of Ind AS 116	74,295	74,295
For the year	7,620	7,620
Upto 31st March, 2020.	81,915	81,915
Disposals	**-**	**-**
For the year	**8,320**	**8,320**
Up to 31st March, 2021.	**90,235**	**90,235**
Disposals		
For the year	**7,620**	**7,620**
Up to 31st March, 2022.	**97,855**	**97,855**

	Right of use asset ₹	Total ₹
Disposals		
For the year	7,620	7,620
Up to 31st March, 2023.	**105,475**	**105,475**
Disposals		
For the year	7,620	7,620
Up to 31st March, 2024.	**113,095**	**113,095**
Disposals		
For the year	7,620	7,620
Up to 31st March, 2025.	**120,715**	**120,715**
Disposals		
For the year	7,620	7,620
Up to 31st March, 2026.	**128,335**	**128,335**
NET BLOCK :		
As at 31st March, 2020.	642,546	642,546
As at 31st March, 2021.	**733,626**	**733,626**
As at 31st March, 2022.	**726,006**	**726,006**
As at 31st March, 2023.	**718,386**	**718,386**
As at 31st March, 2024.	**710,766**	**710,766**
As at 31st March, 2025.	**703,146**	**703,146**
As at 31st March, 2026.	**695,526**	**695,526**

5 INTANGIBLE ASSETS :

	Softwares ₹	Total intangible assets ₹
GROSS BLOCK, AT COST :		
As at 1st April, 2019.	417,000	417,000
Additions	918,136	918,136
Disposals	-	-
Reclassification on account of adoption of Ind AS 116		
As at 31st March, 2020.	1,335,136	1,335,136
Additions	-	-
Disposals	-	-
As at 31st March, 2021.	**1,335,136**	**1,335,136**
Additions		
Disposals		
As at 31st March, 2022.	**1,335,136**	**1,335,136**
Additions		
Disposals		
As at 31st March, 2023.	**1,335,136**	**1,335,136**
Additions		
Disposals		
As at 31st March, 2024.	**1,335,136**	**1,335,136**
Additions		
Disposals		
As at 31st March, 2025.	**1,335,136**	**1,335,136**
Additions		
Disposals		
As at 31st March, 2026.	**1,335,136**	**1,335,136**
DEPRECIATION AND AMORTIZATION :		
Upto 1st April, 2019.	17,206	17,206
Disposals	-	-
Reclassification on account of adoption of Ind AS 116	-	-
For the year	199,004	199,004
Upto 31st March, 2020.	216,210	216,210
Disposals	-	-
For the year	**422,047**	**422,047**
Up to 31st March, 2021.	**638,257**	**638,257**
Disposals		
For the year	**363,812**	**363,812**
Up to 31st March, 2022.	**1,002,069**	**1,002,069**

	Softwares ₹	Total intangible assets ₹
Disposals		
For the year	**286,270**	**363,812**
Up to 31st March, 2023.	**1,288,339**	**1,288,339**
Disposals		
For the year	-	-
Up to 31st March, 2024.	**1,288,339**	**1,288,339**
Disposals		
For the year	-	-
Up to 31st March, 2025.	**1,288,339**	**1,288,339**
Disposals		
For the year	-	-
Up to 31st March, 2026.	**1,288,339**	**1,288,339**
NET BLOCK :		
As at 31st March, 2020.	1,118,926	1,118,926
As at 31st March, 2021.	**696,879**	**696,879**
As at 31st March, 2022.	**333,067**	**333,067**
As at 31st March, 2023.	**46,797**	**46,797**
As at 31st March, 2024.	**46,797**	**46,797**
As at 31st March, 2025.	**46,797**	**46,797**
As at 31st March, 2026.	**46,797**	**46,797**

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
6	**OTHER FINANCIAL ASSETS (NON-CURRENT, GOOD) :**		
	Security deposit[5(a)]	109,000	124,000
	TOTAL :	109,000	124,000

(a) Financial assets carried at amortized cost

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
7	**OTHER NON-CURRENT ASSETS (GOOD) :**		
	Capital Advances		-
	TOTAL :		-

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
8	**INCOME TAX ASSETS :**		
	Taxes paid in advance, net of provisions	213,243	37,994
	TOTAL :	213,243	37,994

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
9	**INVENTORIES :**		
	(As taken, valued and certified by the Directors)		
	Finished Goods	3,652,817	1,215,562
	Raw Material	7,106,853	5,679,102
	TOTAL :	10,759,670	6,894,664

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
10	**TRADE RECEIVABLES :**		
	(Unsecured)		
	Credit impaired		
	Others	8,115,382	4,029,087
	(including related party receivables)		
	TOTAL :	8,115,382	4,029,087

For terms and conditions relating to related party receivables, refer note no. 33

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
11	**CASH AND CASH EQUIVALENTS :**		
	Balances with banks		
	In current accounts	684,137	2,516,180
	Cash on hand	25,535	22,222
	TOTAL :	709,672	2,538,402

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
12	**OTHER FINANCIAL ASSETS (CURRENT), GOOD :**		
	Government grant receivable	10,771,790	10,771,790
	TOTAL :	10,771,790	10,771,790

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
13	**OTHER CURRENT ASSETS, GOOD :**		
	Balances with government authorities		
	Customs duty		-
	Goods and services tax		-
	Advances to employees	144,500	(55,441)
	Advances to Suppliers	43,123	232,237
	TOTAL :	187,623	176,796

			As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
14	**EQUITY SHARE CAPITAL :**			
Authorised :				
200,000	200,000	Equity shares of ₹ 10/-, each	**2,000,000**	**2,000,000**
200,000	200,000		**2,000,000**	**2,000,000**
Issued, Subscribed and Paid up :				
163,226	163,226	Equity Shares of ₹ 10/-, each, fully paid up	**1,632,260**	**1,632,260**
163,226	163,226		**1,632,260**	**1,632,260**

(a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) The reconciliation of the number of shares outstanding and the amount of paid-up share capital as at 31st March, 2026 and 31st March, 2025 is set out below.

	As at 31st March, 2026		As at 31st March, 2025
	No. of Shares	Amount in ₹	No. of Shares
Balance at the beginning of the year	**163,226**	**1,632,260**	**163,226**
Add: Shares issued during the year	**-**	**-**	
Balance at the close of the year	**163,226**	**1,632,260**	**163,226**

(d) Details of shareholders holding more than 5% of the aggregate issued and subscribed shares

Name of the shareholders	As at 31st March, 2026		As at 31st March, 2025
	No. of Shares	% age	No. of Shares
Bharat Forge Ltd.$	**83,226**	**51.00**	**83,226.00**
Vyankoji Shinde	**40,000**	**24.50**	**40,000.00**
Rahul Pangre	**40,000**	**24.50**	**40,000.00**

$ The Holding Company

		As at 31st March, 2026		As at 31st March, 2025
		Current ₹	Non - Current ₹	Current ₹
15	**LONG-TERM BORROWINGS :**			
	Secured :			
	Term Loans[(a)] :		906,000	
	Less : Shown under "Other Financial Liabilities" (Refer Note No. 20)			-
	TOTAL :	-	906,000	-

(a) Term loan from IDBI Bank Limited :

The Term Loan taken from IDBI Bank Limited is secured by exclusive charge by way of equitable mortgage on leasehold land and by the personal guarantees given by the Directors. Rate of Interest applicable is 3.45% over Base Rate (i.e RLLR(Y)), p.a. The loan is repayable in 84 monthly installments.

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
16	**NON-CURRENT LIABILITIES :**		
	Deferred government grant	2,800,000	2,800,000
	TOTAL :	2,800,000	2,800,000

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
17	**DEFERRED TAX LIABILITIES (NET) :**		
	Deferred tax liabilities :		
	Timing differences for		
	Depreciation	777,792	529,570
	Less : Deferred tax assets :		
	Timing differences for		
	Disallowances and unabsorbed depreciation	777,792	529,570
	TOTAL :	777,792	529,570

	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
18 SHORT TERM BORROWINGS :		
Secured		
Cash credit[a]		
Overdraft[b]	**2,449,832**	**1,063,355**
Unsecured		
Loan from directors and their relatives[c]	**19,722,692**	**20,451,050**
TOTAL :	**22,172,524**	**21,514,405**

For terms and conditions relating to related party receivables, refer note no. 33

(a) Cash credit from IDBI Bank Limited :

The cash credit facility taken from IDBI Bank Limited under the Pradhan Mantri Mudra Yojana, is secured by first and exclusive charge by way of hypothecation of stocks of raw materials, finished goods and book debts. Rate of Interest applicable is 1.10% over Base Rate (i.e RBMLR), p.a. The loan is covered under Credit Guarantee Fund for Micro Units.

(b) Overdraft from IDBI Bank Limited :

The overdraft taken from IDBI Bank Limited is secured by exclusive charge by way of equitable mortgage on leasehold land and by the personal guarantees given by the Directors. Rate of Interest applicable is 3.45% over Base Rate (i.e RLLR(Y)), p.a.

(c) Loans from directors and their relatives are interest free and repayable on demand.

	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
19 TRADE PAYABLES :		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	**12,690,300**	**9,662,064**
TOTAL :	**12,690,300**	**9,662,064**

	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
20 OTHER FINANCIAL LIABILITIES :		
Current maturities of long term loan (Refer note no. 15)		
Creditors for capital expenditure	-	-
TOTAL :		-

		As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
21	**OTHER CURRENT LIABILITIES :**		
	Statutory liabililties- GST Payable	**479,442**	**1,238,067**
	Statutory liabililties- TDS Payable	**478,737**	**121,476**
	Contract liabilities - Advances from customers		
	TOTAL :	**958,179**	**1,359,543**

		For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
22	**REVENUE FROM OPERATIONS :**		
	Sale of products	**24,771,346**	**19,991,611**
	Other operating revenues		
	TOTAL :	**24,771,346**	**19,991,611**
	Disaggregate revenue information :		
	The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2025 and 31st March, 2024 by offerings and contract type.		
	Revenue by offerings :		
	Sale of products	**24,771,346**	**19,991,611**
	TOTAL :	**24,771,346**	**19,991,611**
	Revenue by geographical segments :		
	Within India	**24,771,346**	**19,991,611**
	Outside India		
	TOTAL :	**24,771,346**	**19,991,611**
	Revenue by contract type :		
	Fixed price contracts	-	-
	Packing, Handling and Shipping Charges	-	**579,963**
	TOTAL :	-	**579,963**

		For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
23	**OTHER INCOME :**		
	Interest on income tax refund		
	Sundry balances written back	448,722	-
	TOTAL :	448,722	-

		For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
24	**COST OF RAW MATERIAL AND COMPONENTS CONSUMED :**		
	Inventory at the beginning of the year	5,679,102	7,003,094
	Add: Purchases	8,145,164	2,155,915
		13,824,266	9,159,009
	Less: Inventory at the end of the year (Refer note no. 9)	(7,106,853)	(5,679,102)
	Cost of raw material and components consumed :	6,717,413	3,479,907

		For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
25	**CHANGES IN INVENTORIES :**		
	Inventories at the beginning of the year		
	Finished Goods	1,215,562	4,242,842
		1,215,562	4,242,842
	Inventories at the close of the year		
	Finished Goods	(3,652,817)	(1,215,562)
		(3,652,817)	(1,215,562)
	TOTAL :	(2,437,255)	3,027,280

		For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
26	**EMPLOYEE BENEFIT EXPENSES :**		
	(Including Directors' remuneration)		
	Salaries and Wages	11,376,741	7,581,461
	Staff welfare expenses	236,053	76,861
	TOTAL :	11,612,794	7,658,322

For terms and conditions relating to related party receivables, refer note no. 33

		For the year ended 31st March, 2026	For the year ended 31st March, 2025
		₹	₹
27	**FINANCE COSTS :**		
	Interest on bank borrowings	389,427	478,567
	Other interest paid	13,959	18,943
	Loan Processing Fees	16,350	
	TOTAL :	419,736	497,510

		For the year ended 31st March, 2026	For the year ended 31st March, 2025
		₹	₹
28	**DEPRECIATION AND AMORTIZATION :**		
	On property, plant and equipment	770,172	521,950
	On intangible assets	-	-
	On right of use asset	7,620	7,620
	TOTAL :	777,792	529,570

		For the year ended 31st March, 2026	For the year ended 31st March, 2025
		₹	₹
29	**OTHER EXPENSES :**		
	Factory expenses	373,829	260,653
	Labour charges	1,545,522	443,636
	Electricity charges	628,610	478,030
	Communication	5,796	8,819
	Travelling and conveyance	265,076	671,665
	Transport and freight	414,468	199,967
	Rates and taxes	2,000	42,080
	Repairs and maintenance - others	355,089	250,896
	Bank charges	42,091	18,188
	Printing and stationery	23,172	9,977
	Payment to auditors	100,000	100,000
	Testing and certification charges	618,272	209,830
	Legal and professional fees	145,700	82,000
	Sales promotion expenses	-	5,200
	Foreign exchange loss	10,735	2,010
	Miscellaneous expenses	360,655	137,183
	TOTAL :	4,891,015	2,920,134

30 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The company's activities involve predominantly in manufacturing of composite items, which is considered to be a single business segment since these are subject to similar risks and returns. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

31 CAPITAL COMMITMENTS :

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities

	As at 31st March, 2026 ₹	As at 31st March, 2025 ₹
For Property, plant and equipment	-	-

32 LEASES :

Company as a lessee :

The Company has entered into a lease agreement for Plot No. D71, Kagal Hatkanangale Five Star MIDC, Tal. Hatkanangale, Kolhapur, commencing from 17th July, 2009 upto 16th July, 2104. The Company is constructing factory building on the plot. The Company is restricted from assigning and subleasing the leased assets.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year :

	Land	
	31st Match, 2026 ₹	31st Match, 2025 ₹
Opening balance	710,766	718,386
Reclassification on account of adoption of Ind AS 116	-	-
Additions	-	-
Depreciation	(7,620)	(7,620)
As at 31st March, 2021	703,146	710,766

The following are the amounts recognised in profit or loss:

	For the year ended 31st March, 2026 ₹	For the year ended 31st March, 2025 ₹
Depreciation expense of right-of-use assets	7,620	7,620
Interest expense on lease liabilities	-	-
Expense relating to short-term leases (included in administrative expenses)	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments (included in cost of sales)	-	-
Total amount recognised in profit or loss	7,620	7,620

33 RELATED PARTY DISCLOSURE :

A. Related Parties and their relationships :

a)	Holding company :	Bharat Forge Limited
b)	Key managerial personnel :	Mr. Vyankoji Shinde, Whole Time Director Mr. Rahul Pangre, Whole Time Director
c)	Relatives of key managerial personnel :	Mr. Ajitshingh Shinde Mrs. Roma Vyankoji Shinde Mrs. Tina Rahul Pangre
d)	Enterprises controlled or significantly influenced by key managerial personnel :	Aeternus

B. Transactions with Related Parties :

Particulars	Terms and Conditions (Refer foot note no.)	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises controlled or significantly influenced by Key Managerial Personnel
		₹	₹	₹
Remuneration	(a)	-	-	-
Procceds of loan taken	(b)	**50,000**	-	-
Repayment of loan taken	(b)	**770,000**	-	-
Reimbusement of expneses received	(c)	**2,655**	-	-
Reimbusement of expneses paid	(d)	**11,013**	-	-
Sale of products	(e)	-	-	-

(Figures in bracket indicate previous year)

(a) Remuneration paid to the key managerial personnel as per terms of appointment

(b) The loans taken from key managerial personnel and their relatives are repayable on demand and carries no interest.

(c) Expenses incurred by the Company on behalf of the related parties are reimbursable at cost on demand.

(d) Expenses incurred by the related parties on behalf of the Company are reimbursable at cost on demand.

(e) The Company has sold products to its related party at arms' length price and on normal credit terms.

C. Balances with related parties:

Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises controlled or significantly influenced by Key Managerial Personnel
	₹	₹	₹
Trade receivables	-	-	-
	-	-	-
Loans taken	**19,722,692**		-
			-
Amounts payable	-	-	-
	-	-	-

(Figures in bracket indicate previous year)

34 EARNING PER SHARE (FACE VALUE OF ₹ 10 EACH) :

	Year ended 31st March, 2026	Year ended 31st March, 2025
	₹	₹
Profit for the year after taxation	**3,238,573**	**2,394,491**
Weighted average number of equity shares, outstanding during the year	**163,226**	**163,226**
Basic Earning per Share in ₹	**19.84**	**14.67**
Diluted Earning per Share in ₹	-	-

35 INCOME TAX :

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2024 and 31st March, 2023:

	Year ended 31st March, 2026	Year ended 31st March, 2025
	₹	₹
Accounting loss before tax	-	-
At India's enacted tax rate of 25.168% (31 March 2024 : 22.88%)	-	-
Deferred tax savings on unabsorbed depreciation	-	-
Income tax expense reported in the statement of profit and loss	-	-

36 DUES TO MICRO AND SMALL ENTERPRISES:

As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the company has sent confirmations to all its suppliers. Based upon the confirmations received as of 30th April 2022 and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance

obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

38 FAIR VALUES :

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		Carrying value		Fair value	
		As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
		₹	₹	**₹**	₹
I)	**Financial assets**				
	Others non current financial assets				
	Security Deposits	**109,000**	124,000	**109,000**	124,000
	Other financial assets (Current)				
	Government grant receivable	**10,771,790**	10,782,554	**10,771,790**	10,782,554
		10,880,790	10,906,554	**10,880,790**	10,906,554
II)	**Financial liabilities**				
	Long term borrowings				
	Term loan	**906,000**	1,477,200	**906,000**	1,477,200
	Short term borrowings				
	Cash Credit	**-**	-	**-**	-
	Overdraft	**2,449,832**	2,545,875	**2,449,832**	2,545,875
	Demand loans from related parties	**19,722,692**	20,581,767	**19,722,692**	20,581,767
	Other financial liabilties				
	Creditors for capital expenditure	**-**	-	**-**	-
		23,078,524	24,604,842	**23,078,524**	24,604,842

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39 FAIR VALUE HIERARCHY :

	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets for which fair value has been disclosed					
Other financial assets (Non-current)					
Security Deposits	31-Mar-26		-	109,000	109,000
Other financial assets (Current)					
Government grant receivable	31-Mar-26	-	-	10,771,790	10,771,790
Liabilities for which fair value has been disclosed					
Long term borrowings					
Term loan	31-Mar-26	-	-	906,000	906,000
Short term borrowings					
Overdraft	31-Mar-26	-	-	2,449,832	2,449,832
Demand loans from related parties	31-Mar-26	-	-	19,722,692	19,722,692
Other financial liabilties					
Creditors for capital expenditure	31-Mar-26	-	-	-	-
Assets for which fair value has been disclosed					
Other financial assets (Non-current)					
Security Deposits	31-Mar-26	-	-	124,000	124,000
Other financial assets (Current)					
Government grant receivable	31-Mar-26	-	-	10,782,554	10,782,554
Liabilities for which fair value has been disclosed					
Short term borrowings					
Cash Credit	31-Mar-26	-	-	2,545,875	2,545,875
Demand loans from related parties	31-Mar-26	-	-	20,581,767	20,581,767
Other financial liabilties					
Creditors for capital expenditure	31-Mar-26	-	-	-	-

40 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments in equity instruments, loans, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025 .

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2026 and 31st March, 2025 including the effect of hedge accounting(if any)

i) Intererst rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

i) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

	On Demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
	₹	₹	₹	₹	₹	₹
As at 31st March, 2026						
Term loan	**906,000**	**-**	**-**	**906,000**	**-**	**906,000**
Overdraft	**2,449,832**	**-**		**2,449,832**	**-**	**2,449,832**
Demand loans from related parties	**-**	**-**	**-**	**19,722,692**	**-**	**19,722,692**
Creditors for capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**
	3,355,832	**-**	**-**	**23,078,524**	**-**	**23,078,524**
As at 31st March, 2025						
Cash Credit	1,063,355	-	-	1,063,355	-	1,063,355
Demand loans from related parties	20,451,050	-	-	20,451,050	-	20,451,050
Creditors for capital expenditure	-	-	-	-	-	-
	21,514,405	**-**	**-**	**21,514,405**	**-**	**21,514,405**

41 DISCLOSURE PURSUANT TO IND AS 115 ON "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a) Trade receivables and Contract balances :

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on completion of the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

	As at 31st March 2026	As at 31st March 2025
	₹	₹
b) Changes in Contract Assets are as under :		
Balance at the beginning of the year	**-**	-
Revenue recognised during the year	**-**	-
Invoices raised during the year	**-**	-
Balance at the end of the year	**-**	-

	As at 31st March 2026	As at 31st March 2025
	₹	₹
c) Changes in Contract Liabilities are as under :		
Balance at the beginning of the year		
Revenue recognised from unearned advance from customers at the beginning of the year		
Increased due to advance received during the year		
Balance at the end of the year	-	-

d) Performance obligations and remaining performance obligations :

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The Company does not have any performance obligations that are completely or partially unsatisfied as at 31st March, 2026 and 31st March, 2025, other than those meeting the exclusion criteria mentioned above.

Reconciliation for revenue as per Statement of profit & loss and the contracted price arising on account of various adjustments:

	Year ended 31st March, 2026	Year ended 31st March, 2025	Year ended 31st March, 2024
	₹	₹	₹
Revenue recognised as per Statement of Profit & loss			
Sale of products	**24,771,346**	**19,991,611**	**9,015,160**
Add : Adjustments	-	-	-
Total Contract Price	**24,771,346**	**19,991,611**	**9,015,160**

On behalf of the Board of Directors,
Eternus Performance Materials Private Limited

Rahul S. Pangre
Director
DIN : 05324896

Vyankoji A. Shinde
Director
DIN : 05325712

Place : Kolhapur
Date : 05th May, 2026

Ferrovia Transrail Solution Private Limited

Registered Office

14th Floor, Antariksh Bhavan 22, Kasturba Gandhi Marg, Central Delhi, New Delhi 110 001

Independent Auditor's Report

To the Members of **Ferrovia Transrail Solution Private Limited**

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Ferrovia Transrail Solution Private Limited** ("the Company"), which comprise the **Balance Sheet as at March 31, 2026**, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances [but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls]. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2022 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

   (e) On the basis of written representations received from the directors as on March 31, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B" to this report**;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements to the standalone Ind AS financial statements, if any.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. This clause is omitted

      v. 1) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

         2) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and

3) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub clause (1) and (2) contain any material mis-statement.

vi. The company has not declared or paid any dividend during the year.

For **RMA & Associates LLP**
Chartered Accountants
FRN: 000978N/N500062

Rahul Vashishth
Partner
M.No. 097881
UDIN: 26097881NEOHMJ7239

Place of Signature: New Delhi
Date: 27-04-2026

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended **31st March, 2026**:

1. There is no Property, Plant & Equipment in the name of company thus clause 3 (i) (a) to (i) (e) are not applicable

2. There is no inventory in the company thus clause 3 (ii) (a) and (ii) (b) are not applicable.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act and also granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (iii) (f) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues on the last day of the financial year concerned (31.03.2026) for a period of more than six months from the date they became payable.

   (b) As per the above discussion, there is no any disputes is pending with any of the concerned authority.

8. No transactions have been recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. In our opinion and according to the information and explanations given to us, the Company has not availed any loans or other borrowings from banks or financial institutions; hence this clause 3 (ix) (a) to (ix) (f) is not applicable on it.

10. (a) Based on the audit procedures performed and information and explanations given to us by the management, the company has not raised moneys raised by way of initial public offer or further public offer (including debt instruments) an term loans .Hence the provisions of clause 3(x)(a) of the Order are not applicable to the company.

    (b) Based on the audit procedure performed and information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence the provisions of clause 3(x) (b) of the Order are not applicable to the company.

11. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. Hence the provisions of clause 3(xi) of the Order are not applicable to the company.

12. The Company is not a Nidhi Company. Hence this clause 3 (xii) of the order are not applicable on it to the company.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. The same is shown in "Schedule 24 Related Party Disclosures as per Ind AS 34 ".

14. According to the information and explanations given to us and based on our examination of the records of the

Company, the company are not required to gets is accounts audited by the internal auditor appointed under Section 139 of Companies Act, 2013.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

17. According to the information and explanations given to us and based on our examination of the records of the Company, The Company has incurred cash losses amounting to Rs.6,63,419.78/- in the Current Financial Year and in the immediately preceding financial year cash losses incurred were Rs.78,50,430.96/-.

18. There has been no resignation of the statutory auditors during the year.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to comply with the provisions of section 135 (i). Hence clause 3 (xx) is not applicable of the Order are not applicable to the company.

21. According to the information and explanations given to us and based on our examination of the records of the Company, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **RMA & Associates LLP**
Chartered Accountants
FRN: 000978N/N500062

Rahul Vashishth
Partner
M.No. 097881
UDIN: 26097881NEOHMJ7239

Place of Signature: New Delhi
Date: 27-04-2026

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FERROVIA TRANSRAIL SOLUTION PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ferrovia Transrail Solution Private Limited as of 31th March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31th March, 2026, based on our audit procedures.

For **RMA & Associates LLP**
Chartered Accountants
FRN: 000978N/N500062

Rahul Vashishth
Partner
M.No. 097881
UDIN: 26097881NEOHMJ7239

Place of Signature: New Delhi
Date: 27-04-2026

Balance Sheet

as at 31st March, 2026

(In ₹ Thousands)

Balance Sheet	Notes	As at 31st March 2026	As at 31st March 2025
ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	3	-	-
(b) Other intangible assets	4	-	-
(c) Investment in Associates and Joint Ventures			
(d) Financial assets	5	-	-
(e) Income Tax Assets		-	-
(f) Other non-current assets	6	387.92	297.76
(g) Deferred Tax Assets	7	8.86	-
II Current assets			
(a) Financial assets			
(i) Trade Receivables	8	-	-
(ii) Cash and cash equivalents	9	4,612.10	5,495.01
(iii) Other Financial Assets	10	-	-
Total Assets		**5,008.88**	**5,792.77**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	100.00	100.00
(b) Other equity	12	(40,013.96)	(39,350.54)
Equity attributable to equity holders of the parent			
LIABILITIES			
I Non-current liabilities			
(a) Financial liabilities			
(b) Lease Liabilities			
(c) Provisions	13	133.20	104.71
(d) Deferred tax liabilities (net)			33.12
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	44,588.61	44,588.61
(ii) Trade payables	15	175.11	297.91
(iii) Other current financial liabilities	16	23.30	16.50
(b) Provisions	13	2.62	2.46
Total Equity and Liabilities		**5,008.88**	**5,792.77**

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No 097881
UDIN: 26097881NEOHMJ7239

Place: New Delhi
Date: 27-04-2026

On behalf of the Board of Directors
Ferrovia Transrail Solution Private Limted

Sunil Kulkarni
Director
DIN:07228952

Place: New Delhi
Date: 27-04-2026

Rohit Gogia
Director
DIN: 07467654

Place: New Delhi
Date: 27-04-2026

Profit and Loss Account

for the Year Ended March 31, 2026

(In ₹ Thousands)

Profit and Loss	Note	For The Year Ended March 31, 2026	For The Year Ended March 31, 2025
Continuing Operations			
Revenue from operations	17	-	-
Other income	18	-	129.14
Total Income (i)		**-**	**129.14**
Expenses			
Project Expenses	19	-	-
Employee benefits expense	20	493.32	508.96
Finance costs	21	1.42	3.28
Other expenses	22	260.87	7,557.39
Total expenses (ii)		**755.60**	**8,069.63**
Profit before share of profit/(loss) of associates, joint ventures, exceptional items and tax from continuing operations(i - ii)		**(755.60)**	**(7,940.49)**
Profit before exceptional items and tax from continuing operations		**(755.60)**	**(7,940.49)**
Exceptional Items-(Loss)/Gain	26	**-**	**-**
Profit after exceptional items and tax from continuing operations		**(755.60)**	**(7,940.49)**
Profit before tax from continuing operations		(755.60)	(7,940.49)
Tax expenses			
Current Tax		-	
Deferred tax		(41.97)	3.92
Total tax expense		(41.97)	3.92
Profit for the year from continuing operations		**(713.63)**	**(7,944.41)**
Discontinued Operations			
Share of Profit /(Loss) of joint ventures			-
Profit for the year		**(713.63)**	**(7,944.41)**
Other Comprehensive Income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Re-measurement gain/(losses) on defined benefit plans	23	50.21	93.98
Share of other comprehensive income in associates and joint ventures			-
Share of other comprehensive income arising from discontinued operations			-
Income tax effect			-
		50.21	**93.98**
Other comprehensive income for the year, net of tax		**50.21**	**93.98**
Total comprehensive income for the year, net of tax		**(663.42)**	**(7,850.43)**
Earnings per equity share:			
Nominal Value of share Rs. 10 (March 31 , 2024 Rs. 10)			
Basic		(0.07)	(0.79)
Diluted			-
Total Profit/(Loss) for the Period		**(663.42)**	**(7,850.43)**

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No 097881
UDIN: 26097881NEOHMJ7239

Place: New Delhi
Date: 27-04-2026

On behalf of the Board of Directors
Ferrovia Transrail Solution Private Limted

Sunil Kulkarni
Director
DIN:07228952

Place: New Delhi
Date: 27-04-2026

Rohit Gogia
Director
DIN: 07467654

Place: New Delhi
Date: 27-04-2026

Cash Flow Statement

for the Year Ended March 31, 2026

(In ₹ Thousands)

Sr. No.	Particulars	For the Year Ended March 31, 2026		For the Year Ended March 31, 2025	
A	**Cash Flow from Operations**				
	Profit/(Loss) before Taxation		(755.60)		(7,940.49)
	Adjustments for:				
	Depreciation	-		-	
	Finance Charges	1.42		3.28	
	Items that will not be reclassified to Profit and loss	50.21		93.98	
	Losson Sale of Fixed Assets	-		-	
	Provision for Tax	-	51.63	-	97.26
	Operating Profit before Working Capital Changes		**(703.97)**		**(7,843.24)**
	(Increase)/Decrease in Current Assets				
	Trade Receivables	-		-	
	Income Tax Assets	-		2,152.34	
	Other Non-current Assets	(90.17)		5,418.40	
	Other Financial Assets	-	**(90.17)**	-	**7,570.74**
	Increase/(Decrease) in Current Liabilities				
	Trade Payables	(122.80)		25.50	
	Other Current Liabilities	6.80		(4.56)	
	Long Term Provision	28.49		22.93	
	Short Term Provision	0.16	**(87.35)**	(12.32)	**31.55**
	Cash Inflow/(Outflow) from Operations		**(881.49)**		**(240.95)**
	Direct Taxes Paid				
	Income Tax Paid		-		
	Income Tax for Earlier years Written Back		-		
	Net Cash Inflow/ (Outflow) from Operation (A)		**(881.49)**		**(240.95)**

(In ₹ Thousands)

Sr. No.	Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	-	-
	Sale of Fixed Asset and Adjustments	-	-
	Net Cash Inflow/ (Outflow) from Investing Activities (B)	**-**	**-**
C	**Cash Flow from Financing Activities**		
	Increase in Share Capital		
	Increase/(Decrease) in Borrowings	-	(9,275.63)
	Finance Charges	(1.42)	(3.28)
	Net Cash Inflow/(Outflow) from Financing Activities (C)	**(1.42)**	**(9,278.91)**
	Net Change in Cash or Cash Equivalents during the Year	(882.91)	(9,519.86)
	Cash and Cash Equivalents at the beginning of the year	5,495.00	15,014.86
	Cash and Cash Equivalents at the end of the year	**4,612.10**	**5,495.00**

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No 097881
UDIN: 26097881NEOHMJ7239

Place: New Delhi
Date: 27-04-2026

On behalf of the Board of Directors
Ferrovia Transrail Solution Private Limted

Sunil Kulkarni
Director
DIN:07228952

Place: New Delhi
Date: 27-04-2026

Rohit Gogia
Director
DIN: 07467654

Place: New Delhi
Date: 27-04-2026

Notes to Financial Statements

for the year ended March 31, 2026

1 CORPORATE INFORMATION

Ferrovia Transrail Solutions Private Limited (FTSPL) is promoted by PNC Infratech Limited and BF Infrastructure Limited holding 51% and 49% stake respectively. FTSPL has emerged out of the cordial relations joint efforts of the abovementioned two companies.

FTSPL has been formed for the purpose of carrying out the Project of Design, Procurement, Construction of track and track related works and it's testing & commissioning for double track electrified railway line on a Design Build Lump Sum Basis from New Karwandiya (Rly. Km. 564) to Durgawati (Rly. Km. 630) approx. 66 KMs on Mughalsarai-Sonnagar Section of Eastern Dedicated Freight Corridor (Project) as floated by the Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

BF Infrastructure Ltd. Duly acquired the PNC Stake of 51% on 28.02.2023 and hence FTSPL is now 100% Subsidiary of BF Infrastructure Ltd. The company's CIN is U45300DL2012PTC239645.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise except for differences pertaining to Long Term Foreign Currency Monetary Items as mentioned subsequently.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

Further, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

c. Investment in subsidiaries and joint ventures

The Company has accounted for its investment in subsidiaries and joint ventures at cost less accumulated impairment.

d. Fair value measurement

The Company measures financial instruments at fair value on initial recognition.

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:

- In the principal market for the asset or liability, or

  In the absence of a principal market, in the most advantageous market for the asset or liability

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 economic best 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 financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 financial statements 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 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

f. Construction Contracts

Project Revenue is recognized by applying percentage of completion method only when the outcome of the construction activity can be estimated reliably. Project revenue and project cost associated to project related activity is recognized as revenue and expense respectively by reference to stage of completion. The stage of completion is either determined with reference to proportion of cost incurred for work performed to the estimated total cost respectively, or with respect to completion of physical proportion of the contract work. Project revenue is recognized when the stage of completion of the project reaches a significant level as compared to the total estimated cost of the project.

Revenue earned in excess of billing is reflected under "Other Current Assets". Billing to customer in excess of revenue earned is reflected under "Current Liabilities".

g. Sale of goods

Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

h. Interest income

The Company recognizes the Interest income on accrual basis, Interest income is included in other income in the statement of profit and loss.

i. Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

j. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 liabilities are recognised for all taxable temporary differences.

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 reduced 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 relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non- cenvatable excise duty, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The identified components are depreciated over their useful lives; the remaining asset is deprecated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation as follows:

Type of assets	Estimated useful life
Office Equipment	5 years
Furniture & Fixture	10 years
Computer	3 years
Software	3 years
Website	3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

l. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

n. Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

Dies are valued at cost or net realisable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

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.

o. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The

Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p. Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

q. 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.

Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when: The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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, financial guarantee contracts and derivative financial instruments.

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 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

(In ₹ Thousands)

5. FINANCIAL ASSETS	As at 31st March 2026	As at March 31, 2025
Non-Current		
Mob Advance to Vendors	-	-
Total	**-**	**-**

(In ₹ Thousands)

6. OTHER ASSETS	As at 31st March 2026	As at March 31, 2025
Balances with Customs, Excise and Other Govt authorities	387.92	297.76
Toa	**387.92**	**297.76**

(In ₹ Thousands)

7. DEFERRED TAX LIABILITY/ASSETS	As at 31st March 2026	As at March 31, 2025
Deferred Tax Liability		
On account of timing difference in		
Impact of difference between tax depreciation / amortization and		
depreciation / amortization for the financial reporting		
Deferred Tax Asset		
On account of timing difference in	41.97	33.12
Impact of difference between tax depreciation / amortization and		
depreciation / amortization for the financial reporting		
Net Deferred Tax Liability / Asset	**41.97**	**33.12**
Deferred Tax Assets/(Liabilities) recognized in Statement of Profit & Loss Account	**(8.86)**	**(3.92)**
WDV As Per IT Act.	-	-
WDV As Per Companies Act	-	-
	-	**-**
Provision for Gratuity	82.97	58.91
Provision for Leave Encashment	52.85	48.26
	135.82	**107.17**
Deferred Tax (Liability)/Assets @ 30.9%	41.97	33.12
Reversal of DTL	(33.12)	(29.20)
Deferred Tax (Liability) / Asset	**8.86**	**3.92**

(In ₹ Thousands)

8. TRADE RECEIVABLES	As at 31st March 2026	As at March 31, 2025
Trade Receivables	-	-
Total	**-**	**-**

Trade Receivables ageing schedule (In ₹ Thousands)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk*	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(In ₹ Thousands)

9. CASH AND BANK BALANCES	As at 31st March 2026	As at March 31, 2025
Cash and cash equivalents		
Balances with banks		
In Current accounts	4,581.96	5,479.35
Cash on hand	30.14	15.66
Total	**4,612.10**	**5,495.01**

(In ₹ Thousands)

10. OTHER FINANCIAL ASSETS	As at 31st March 2026	As at March 31, 2025
Current		
Security Deposits	-	-
Other Receivables	-	-
Total	**-**	**-**

(In ₹ Thousands)

11. SHARE CAPITAL	As at 31st March 2026	As at March 31, 2025
Equity Share Capital		
AUTHORISED	45,100	100
45,10,000 shares of par value of Rs.10/- each (Previous year 10,000 shares of par value of Rs.10/- each)		
ISSUED, SUBSCRIBED AND PAID-UP	100	100
10,000.00 shares of par value of Rs.10/- each (Previous year 10,000 shares of par value of Rs.10/- each)		

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	As at 31st March 2026		As at March 31, 2025	
	No.	In Rs.	No.	In Rs.
At the begining of the year	10,000	100	10,000	100
Issued During the year	-	-	-	-
Outstanding at the year end	10,000	100	10,000	100

(b) Terms rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of Equity and Preference shares issued by the company , shares held by its holding company are as below :

Details of Equity Shares held by holding company

Particulars	As at 31st March 2026		As at March 31, 2025	
	No.	% Holding	No.	% Holding
BF Infrastructure Limited	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**10,000**	**100%**

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting date.

(e) Details of Equity Shareholders holding more that 5% shares in the company

Particulars	As at 31st March 2026		As at March 31, 2025	
	No.	% Holding	No.	% Holding
BF Infrastructure Ltd.	10,000	100%	10,000	100%
Total	**100**	**100%**	**100**	**100%**

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	%of total shares	
BF Infrastructure Limited	10,000	100%	
Total	10,000	100%	

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
100	0	0	0	100

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
100	0	0	0	100

B. Other Equity

(1) Current reporting period

			Reserves and Surplus											
	Share application money pending allotment	Equity component of compounded financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreing operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period						(39,350.54)								(39,350.54)
Changes in accounting policy/prior period errors														-
Restated balance at the beginning of the current reporting period														-
Total Comprehensive Income for the current year						(713.63)						50.21		(663.42)
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the current reporting period	**-**	**-**	**-**	**-**	**-**	**(40,064.17)**	**-**	**-**	**-**	**-**	**-**	**50.21**	**-**	**(40,013.96)**

(2) Previous reporting period

			Reserves and Surplus											
	Share application money pending allotment	Equity component of compounded financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreing operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	**Total**
Balance at the beginning of the current reporting period						(31,500.11)						-		**(31,500.11)**
Changes in accounting policy/prior period errors														**-**
Restated balance at the beginning of the current reporting period														**-**
Total Comprehensive Income for the current year						(7,944.41)						93.98		**(7,850.43)**
Dividends														**-**
Transfer to retained earnings														**-**
Any other change (to be specified)														**-**
Balance at the end of the current reporting period	**-**	**-**	**-**	**-**	**-**	**(39,444.52)**	**-**	**-**	**-**	**-**	**-**	**93.98**	**-**	**(39,350.54)**

(In ₹ Thousands)

13. PROVISIONS	As at 31st March 2026	As at March 31, 2025
Provision for employee benefits		
Non Current		
Provision for gratuity	82.97	58.91
Provision for jubilee scheme	-	-
Provision for leave Encashment	50.23	45.79
Provision for early retirement	-	-
Total	**133.20**	**104.71**
Current		
Provision for leave benefits	2.62	2.46
Provision for gratuity Short Term	-	-
Total	**2.62**	**2.46**

(In ₹ Thousands)

14. BORROWINGS	As at 31st March 2026	As at March 31, 2025
BF Infrastructure Limited	44,588.61	44,588.61
Total current borrowings	**44,588.61**	**44,588.61**

(In ₹ Thousands)

15. TRADE AND OTHER PAYABLES	As at 31st March 2026	As at March 31, 2025
Trade payables	-	149.41
Expenses Payable	175.11	148.50
Total	**175.11**	**297.91**

Trade Payables aging schedule (In ₹ Thousands)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	175.11	-	-	-	**175.11**
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – OTHERS	-	-	-	-	-

(In ₹ Thousands)

16. OTHER FINANCIAL LIABILITIES	As at 31st March 2026	As at March 31, 2025
Securities Held	-	-
Dedicated Freight Corridor Corporation of India	-	-
Duties & Taxes	23.30	16.50
Total	**23.30**	**16.50**

(In ₹ Thousands)

17. REVENUE FROM OPERATIONS	As at 31st March 2026	As at March 31, 2025
Revenue	-	-
Total	**-**	**-**

(In ₹ Thousands)

18. OTHER INCOME	As at 31st March 2026	As at March 31, 2025
Scrap Sale	-	-
Other Income	-	
Interest on Income Tax Refund		129.14
Amount written off	-	-
Total	**-**	**129.14**

(In ₹ Thousands)

19. PROJECT EXPENSES	As at 31st March 2026	As at March 31, 2025
Site Expenses	-	-
Testing & Commissioning	-	-
Total	**-**	**-**

(In ₹ Thousands)

20. EMPLOYEE BENEFITS EXPENSE	As at 31st March 2026	As at March 31, 2025
Salaries, wages and bonus (including managing and whole time director's remuneration)	457.98	503.13
Contributions to provident and other funds / scheme		
Gratuity Expense	35.34	5.83
Total	**493.32**	**508.96**

(In ₹ Thousands)

21. FINANCE COSTS	As at 31st March 2026	As at March 31, 2025
Bank Charges & Other Expenses	1.42	3.28
Total	**1.42**	**3.28**

(In ₹ Thousands)

22. OTHER EXPENSES	As at 31st March 2026	As at March 31, 2025
Repairs and maintenance	-	-
Rates and taxes		5,740.39
Legal and professional fees	148.50	451.60
Payment to Auditors (Refer note 31(a))	100.00	165.00
Miscellaneous expenses	12.37	908.63
Amount Written Off-Bad Debts	-	
Management Consultancy Fees		291.77
Total	**260.87**	**7,557.39**

(In ₹ Thousands)

23. OTHER COMPREHENSIVE INCOME	As at 31st March 2026	As at March 31, 2025
Foreign exchange revaluation differences		
Currency forward contracts		
Reclassified to statement of profit and loss		
Re-measurement gains (losses) on defined benefit plans	50.21	5.63
	50.21	**5.63**

24 RELATED PARTY DISCLOSURE AS PER IND AS-24

Name of related Parties and related parties relationship

Holding Company	BF Infrastructure Limited
Fellow Subsidiary of Holding Company	BF-NTPC Energy Systems Limited
Key Managerial Persons	Mr. Rohit Gogia (Director)
	Mr. Sunil Kulkurni (Director)
	Mr. Varun Shah (Director appointed w.e.f. 08.08.2024)

(In ₹ Thousands)

Sr. No.	Nature of Transaction	Name of Related Party and Nature of Relationship	31-Mar-26	31-Mar-25
1	**Services Received**	**Holding Company**		
		1. BF Infrastructure Limited	-	-
		Total	**-**	**-**
2	**Reimbursement of Expenses**	**Holding Company**		
		1. BF Infrastructure Limited	-	291.77
		Total	**-**	**291.77**

(In ₹ Thousands)

Sr. No.	Balance Outstanding as at year ended		31-Mar-26	31-Mar-25
1	**Payable towards Services Received**	**Holding Company**		
		1. BF Infrastructure Limited	-	291.77
		Total	**-**	**291.77**
2	**Loan Outstanding**	**Holding Company**		
		1. BF Infrastructure Limited	44,588.61	44,588.61
		Total	**44,588.61**	**44,588.61**

25 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS PLANS

The company has a defined gratuity plan. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance in the form of a qualifying insurance poliy.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for respective plan.

Table Showing Change in Present Value of Obligation :

(In ₹ Thousands)

For the Period	As at 31st March 2026	As at March 31, 2025
Projected Benefit Obligatons (PBO) at the beginning of the year	58.91	50.29
Interest Cost	4.01	3.62
Service Cost	35.34	5.83
Benefits paid	-	-
Actuarial (gain) loss on obligations	(12.43)	(0.83)
PBO at the end of the year	85.83	58.91

Break Up of Service Cost

For the Period	As at 31st March 2026	As at March 31, 2025
Past Service Cost	28.17	-
Current Service Cost	7.17	5.83
Curtailment Cost / (Credit) on plan amendments	-	-
Settlement Cost / (Credit) on plan amendments	-	-

TABLE SHOWING CHANGES IN FAIR VALUE OF PLAN ASSETS

For the Period	As at 31st March 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the period	128.03	37.97
Adjustment to Fund	-	-
Transfer In / (Out)	-	-
Interest Income	8.72	2.77
Contributions	-	-
Mortality Charges and Taxes	-	-
Benefits paid	-	-
Amount paid on settlement	-	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	27.54	86.43
Fair value of plan assets at the end of the period	164.66	128.03
Actual return on plan assets	36.26	89.20

NET INTEREST (INCOME)/EXPENSE

For the Period	As at 31st March 2026	As at March 31, 2025
Interest (Income) / Expense – Obligation	4.01	3.62
Interest (Income) / Expense – Plan assets	(8.72)	(2.77)
Net interest (Income) / Expense for the year	(4.71)	0.86

REMEASUREMENTS FOR THE YEAR (ACTUARIAL (GAIN) / LOSS)

For the Period	As at 31st March 2026	As at March 31, 2025
Experience (Gain) / Loss on plan liabilities	(9.46)	(4.86)
Demographic (Gain) / Loss on plan liabilities	-	-
Financial (Gain) / Loss on plan liabilities	(2.98)	4.03
Experience (Gain) / Loss on plan assets	(28.05)	(86.55)
Financial (Gain) / Loss on plan assets	0.51	0.12

AMOUNTS RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (OCI)

For the Period	As at 31st March 2026	As at March 31, 2025
Opening amount recognised in OCI outside profit and loss account	(337.33)	(250.06)
Remeasurement for the year -obligation (Gain) / Loss	(12.43)	(0.83)
Remeasurement for the year -plan asset (Gain) / Loss	(27.54)	(86.43)
Total Remeasurements Cost / (Credit) for the year recognised in OCI	(39.97)	(87.26)
Closing amount recognised in OCI outside profit and loss account	(377.30)	(337.33)

THE AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET

For the Period	As at 31st March 2026	As at March 31, 2025
Present value of obligation at the end of period	85.83	58.91
Fair value of the plan assets at the end of period	164.66	128.03
Surplus / (Deficit)	78.83	69.12
Current liability	-	-
Non-current liability	85.83	58.91
Amount not recognised due to asset ceiling	-	-
Net asset / (liability) recognised in balance sheet	78.83	69.12

EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

For the Period	As at 31st March 2026	As at March 31, 2025
Service Cost	7.17	5.83
Acquisition (Gain) / Loss	-	-
Past service cost	28.17	-
Net interest (Income)/ Expense	(4.71)	0.86
Curtailment (Gain) / Loss	-	-
Settlement (Gain) / Loss	-	-
Transfer In / (Out)	-	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	30.63	6.69

RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED

For the Period	As at 31st March 2026	As at March 31, 2025
Net asset / (liability) recognised at the beginning of the period	69.12	(12.32)
Company contributions	0.37	0.87
Benefits directly paid by Company	-	-
Amount recognised outside profit & loss for the year	39.97	87.26
Expense recognised at the end of period	(30.63)	(6.69)
Mortality Charges and Taxes	-	-
Impact of Transfer (In) / Out	-	-
Net asset / (liability) recognised at the end of the period	78.83	69.12

MAJOR CATEGORIES OF PLAN ASSETS (AS A % OF TOTAL PLAN ASSETS)

For the Period	As at 31st March 2026	As at March 31, 2025
Funds managed by insurer	100%	100%

SENSITIVITY ANALYSIS

(A) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

For the Period	As at 31st March 2026		As at March 31, 2025	
	Discount Rate		Discount Rate	
	6.00%	101.96	5.80%	70.56
	8.00%	72.56	7.80%	49.42

(B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

For the Period	As at 31st March 2026		As at March 31, 2025	
	Salary increment rate			
	5.00%	73.02	5.00%	49.47
	7.00%	101.01	7.00%	69.87

(C) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

For the Period	As at 31st March 2026		As at March 31, 2025	
	Withdrawal rate			
	0.00%	85.25	0.00%	58.00
	2.00%	87.23	2.00%	59.75

(In ₹ Thousands)

26. EXCEPTIONAL ITEMS	**As at 31st March 2026**	**As at March 31, 2025**
Write back of Current Liabilities of borrowings from BF Infrastructure Limited	-	-
Total	**-**	**-**

(In ₹ Thousands)

27. EPS CALCULATION	**As at 31st March 2026**	**As at March 31, 2025**
A. Numerator for Basic and Diluted EPS		
i. Net profit after tax attributable to shareholders from continuing operations	(663)	(7,850)

28. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Company requires management to make estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The key estimates and assumptions used in the preparation of financial statements are as follows:

The Company has elected to use carrying amount of all its property, plant and equipment as deemed cost as measured in previous GAAP and use that as deemed cost on the date of transition. In respect of assets elected to as per the Ind AS 16. However, the management performed an impairment evaluation of the property, plant and equipement and observed the relisable value / value in use of the property, plant and equipement are more than the carrying value.

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date
For **RMA & Associates LLP**
Chartered Accountants
Firm Registration Number: 000978N/N500062

Rahul Vashishth
Partner
Membership No 097881
UDIN: 26097881NEOHMJ7239

Place: New Delhi
Date: 27-04-2026

On behalf of the Board of Directors
Ferrovia Transrail Solution Private Limted

Sunil Kulkarni
Director
DIN:07228952

Place: New Delhi
Date: 27-04-2026

Rohit Gogia
Director
DIN: 07467654

Place: New Delhi
Date: 27-04-2026

J S Auto Cast Foundry India Private Limited

Registered Office

SF No 165/1, Sembagounden Pudur Kuppepalayam, Coimbatore, 641 107

Independent Auditors' Report

To the Members of
J S Auto Cast Foundry India Private Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS financial statements of J S Auto Cast Foundry India Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

2. (A) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 39 to the Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts – Refer Note 22 to the Ind AS financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of

recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

(a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

(b) The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software used for maintaining the books of account relating to financial reporting process, purchase to payables (including capital expenditure) and revenue to receivables throughout the year.

(c) The Inventory management software does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, to the extent the audit trail (edit log) recording feature was enabled, the Company has preserved the audit trail (edit log) as per the statutory requirements for record retention.

(C) In our opinion, the managerial remuneration for the year ended 31 March 2026 has been paid/provided for by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of J S Auto Cast Foundry India Private Limited on the Ind AS financial statements for the year ended 31 March 2026)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment, by which all the Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.

(c) The title deeds of the immovable properties disclosed in the Ind AS financial statements (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment, Right of Use assets, or intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for Holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) As explained to us, the inventory has been physically verified at reasonable intervals by the management during the year including the inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification by the management is appropriate. There were no cases where the discrepancies exceeded 10% or more in aggregate for each class of inventory which were noticed during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned fresh working capital limits in aggregate, exceeding five crore rupees from a bank on the basis of security of current assets of the Company. Based on the records examined by us, the periodical statements filed by the Company with such bank are in agreement with books of accounts of the Company. The Company does not have any working capital limits sanctioned from financial institutions.

(iii) In our opinion and according to the information and explanations given to us, the Company has made investments in a Company during the year (refer note 6). The investment so made is not prejudicial to the interests of the Company.

The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) (a), (c), (d), (e) and (f) of the Order insofar as it relates to loans, advances in nature of loan or guarantee or security are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has invested in securities of other entity and has complied with the provisions of section 186 of the Act. The Company has not granted any loans or provided guarantee or security to which the provisions of section 185 or section 186 of the Act apply.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules made there under relating to the acceptance of deposits are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of the products manufactured by the Company and are of the opinion that prima facie, such accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Service Tax, Duty of Excise and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2026, for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs and other material statutory dues which have not been deposited on account of any dispute other than that stated below:

Name of the statute	Nature of the dues	Financial year	Amount (Rs. in millions)	Amount paid (Rs. in millions)*	Forum where dispute is pending
Goods and Services Tax Act, 2017	Goods and Services Tax	2023-2024	0.26	0.00**	Goods and Services Tax Appellate Authority
Goods and Services Tax Act, 2017	Goods and Services Tax	2024-2025	0.05	0.05	Goods and Services Tax Appellate Authority

* Amount paid under protest.

** Amount below Rs. 0.01 million

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transactions which were not recorded in the books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lenders.

(c) In our opinion and according to the information and explanations given to us, the term loans availed during the year were applied for the purpose for which the loans was obtained.

(d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis were not utilized for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the Company does not have any subsidiaries, joint venture or associate companies. Accordingly, paragraph 3 (ix) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us, the Company does not have any subsidiaries, joint venture or associate companies. Accordingly, paragraph 3 (ix) (f) of the Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of shares during the year and has complied with the requirements of section 42 and section 62 of the Act. Further the details of funds raised, funds used and unutilized balance out of the aforesaid proceeds are included in the below table:

Sr no	Particulars	Amount (Rs. in million)
1.	Funds raised through preferential allotment of 14,25,794 preference shares of Rs 100 each.	3,000.00
2.	Funds raised through preferential allotment of 1 equity share of Rs 10.	0.00*
3.	Total funds raised 3,000.00	
4.	Utilisation towards payment of outstanding dues of Micro and small enterprises.	480.00
5.	Utilisation towards repayment of working capital loans	330.00
6.	Unutilised amount remaining as on 31 March 2026 (invested in mutual funds and fixed deposits with banks and financial institution, refer note 11 and note 12)	2,190.00

*Amount below Rs. 0.01 million. The above figures are rounded off to the nearest millions.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards, have been disclosed in the Ind AS financial statements. The provisions of Section 177 are not applicable to the Company.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system that commensurate with the size and nature of its business.

(b) We have reviewed the reports of the internal auditors for the period under audit, however we have not placed reliance on the work done by the internal auditor.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of section 192 of the act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to register itself under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) (a)(b) and (c) of the Order is not applicable to the Company.

(b) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 45 to the financial statements), ageing and expected dates of realization of assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to

believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount required to be transferred in accordance with second proviso to sub-section (5) of section 135 of the Act.

(b) In our opinion and according to the information and explanations given to us, the Company has not transferred the unspent amount pursuant to ongoing projects, required to be transferred in accordance with the provisions sub-section (6) of section 135 of the Act. However, the time period for such transfer i.e. thirty days from the end of the financial year as allowed under sub-section (6) of section 135 of the Act has not elapsed till the date of this report.

(xxi) The paragraph 3 (xxi) of the Order is not applicable to the standalone financial statements of the Company.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of J S Auto Cast Foundry India Private Limited on the Ind AS financial statements for the year ended 31 March 2026)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of J S Auto Cast Foundry India Private Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting ("IFC-FR)" criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739

Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

Balance Sheet

as at 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
ASSETS			
I. Non-current assets			
Property, plant and equipments	3(a)	**2,621.17**	2,600.24
Capital work-in-progress	3(a) and 3(b)	**69.91**	69.91
Intangible assets	4(a)	**5.78**	7.61
Intangible assets under development	4(a) and 4(b)	**41.49**	-
Right-of-use assets	5	**322.32**	336.00
Financial assets:			
(i) Investments	6	**115.91**	13.01
(ii) Other financial assets	7	**117.36**	82.10
Other non-current assets	8	**11.88**	6.15
Income tax assets	19	**94.38**	-
		3,400.20	3,115.02
II. Current assets			
Inventories	9	**1,113.63**	943.48
Financial assets:			
(i) Trade receivables	10	**2,838.84**	2,495.55
(ii) Current investments	11	**330.20**	**-**
(iii) Cash and cash equivalents	12	**844.37**	25.46
(iv) Other bank balances	12	**1,021.16**	1.97
(v) Other financial assets	13	**42.69**	48.83
Other current assets	14	**128.50**	98.87
		6,319.39	3,614.16
		9,719.59	6,729.18

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**47.73**	45.92
Instruments entirely equity in nature	15	**142.58**	-
Other equity	16	**5,766.07**	2,271.70
		5,956.38	2,317.62
Liabilities			
Non-current liabilities			
Financial liabilities:			
(i) Long term borrowings	17	**788.28**	1,163.16
(ii) Lease liabilities	5	**55.31**	70.87
Long term provisions	18	**161.82**	176.32
Deferred tax liabilities (net)	19	**109.50**	37.69
		1,114.91	1,448.04
Current liabilities			
Financial liabilities			
(i) Short term borrowings	20	**1,014.56**	1,050.33
(ii) Trade payables	21		
- Dues to micro enterprises and small enterprises		**240.53**	597.54
- Dues to other than micro enterprises and small enterprises		**1,034.16**	1,069.05
(iii) Lease liabilities	5	**27.25**	21.53
(iv) Derivative instruments	22	**131.06**	1.90
(v) Other financial liabilities	23	**41.82**	-
Current liabilities			
Other current liabilities	24	**117.85**	90.45
Short term provisions	25	**41.07**	49.99
Current tax liabilities (net)	19	**-**	82.73
		2,648.30	2,963.52
		3,763.21	4,411.56
		9,719.59	6,729.18
Material accounting policies	1- 2		
Notes to the Ind AS financial statements	3 - 46		

The accompanying notes form an integral part of Ind AS financial statements
As per our report of even date
For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001
Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

For and on behalf of the Board of Directors of
J S Auto Cast Foundry India Private Limited

Rajhagopalan Sudharssanam
Director
DIN: 09657337
Place: Pune
Date: 27 April 2026

Sumeet Banga
Director
DIN: 07472953
Place: Pune
Date: 27 April 2026

Chandramohan Madhan
Chief Financial Officer
Place: Coimbatore
Date: 27 April 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Income			
Revenue from operations	26	**7,570.66**	6,970.73
Other income	27	**64.17**	30.12
Total income		**7,634.83**	7,000.85
Expenses			
Cost of raw material consumed	28	**2,866.59**	2,752.73
Increase in inventories of finished goods and work-in-progress	29	**(97.78)**	(132.06)
Employee benefits expense	30	**857.34**	748.41
Depreciation and amortisation	31	**275.73**	252.69
Finance costs	32	**174.94**	225.48
Other expenses	33	**2,886.01**	2,563.31
Total expenses		**6,962.83**	6,410.56
Profit before tax		**672.00**	590.29
Tax expense	19		
Current tax		**57.84**	174.19
Earlier year taxes		**2.79**	(32.26)
Deferred tax charge/(credit)		**105.95**	(27.23)
		166.58	114.70
Profit for the year		**505.42**	475.59

(All amounts are in Indian Rupees millions, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent years			
- Re-measurement losses on defined benefit plans		**(6.51)**	29.16
- Income tax effect on above		**1.64**	(7.34)
		(4.87)	21.82
Items that will be reclassified to Statement of Profit and Loss in subsequent years			
- Net movement in cash flow hedges		**(122.79)**	(10.32)
- Income tax effect on above		**32.50**	3.51
		(90.29)	(6.81)
Other comprehensive income for the year (net of tax)		**(95.16)**	15.01
Total comprehensive income for the year (net of tax)		**410.26**	490.60
Earning per equity share of face value Rupees 10/- each	34		
Basic earnings per equity share		**109.25**	105.97
Diluted earnings per equity share		**107.79**	105.97
Material accounting policies	1- 2		
Notes to the Ind AS financial statements	3 - 46		

The notes referred to above form an integral part of Ind AS financial statements
Subject to our separate report of even date

For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

For and on behalf of the Board of Directors of
J S Auto Cast Foundry India Private Limited

Rajhagopalan Sudharssanam
Director
DIN: 09657337
Place: Pune
Date: 27 April 2026

Sumeet Banga
Director
DIN: 07472953
Place: Pune
Date: 27 April 2026

Chandramohan Madhan
Chief Financial Officer
Place: Coimbatore
Date: 27 April 2026

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
A	**Cash flow from operating activities**		
	Profit before tax	**672.00**	590.29
	Adjustments for:		
	Depreciation and amortisation	**275.73**	252.69
	Finance costs	**174.94**	225.48
	Interest income	**(8.67)**	(6.12)
	Net gain on fair valuation of financial instruments ('FVTPL')	**(0.21)**	-
	Gain on mutual fund investments	**(3.22)**	-
	Debit balance no longer recoverable	**-**	15.14
	Unrealised foreign exchange gain (net)	**(63.77)**	(7.89)
	(Gain)/loss on sale of property, plant and equipment ('net')	**(0.39)**	0.63
	Operating profit before working capital changes	**1,046.41**	1,070.22
	Adjustments:		
	Increase in trade receivables	**(277.24)**	(1,014.25)
	Increase in inventories	**(170.15)**	(223.23)
	Increase in financial assets	**(26.08)**	(17.28)
	Increase in other current asset	**(29.63)**	(3.91)
	Increase in derivative instruments ('net of cash flow hedge reserve')	**6.37**	-
	(Decrease)/increase in trade payables	**(394.18)**	734.68
	(Decrease)/increase in provisions	**(29.93)**	20.17
	Increase/(decrease) in other current liabilities	**27.40**	(2.92)
	Working capital changes	**(893.44)**	(506.74)
	Cash flow from operations	**152.97**	563.48
	Income taxes paid	**(237.74)**	(166.78)
	Net cash (used in)/generated from operating activities	**(84.77)**	396.70
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipments and intangible assets (including capital work in progress and intangible asset under development)	**(274.88)**	(328.12)
	Proceeds from sale of property, plant and equipments	**1.33**	1.52
	Investment in fixed deposits	**(1,020.00)**	-
	Investment in equity instruments (unquoted)	**(102.90)**	-
	Investment in mutual funds	**(2,329.89)**	-
	Proceeds from sale of mutual funds	**2,003.12**	-
	Interest income	**5.99**	5.24
	Net cash used in investing activities	**(1,717.23)**	(321.36)

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	**290.00**	180.00
	Proceeds from issue of preference shares (net of issue expenses)	**2,938.50**	-
	(Repayment of)/Proceeds from borrowings (net)	**(410.65)**	7.05
	Payment of lease liabilities	**(29.50)**	(59.19)
	Finance costs	**(167.44)**	(198.73)
	Net cash generated from/(used in) in financing activities	**2,620.91**	(70.87)
	Net increase in cash and cash equivalents	**818.91**	4.47
	Opening cash and cash equivalents	**25.46**	20.99
	Closing cash and cash equivalents	**844.37**	25.46
D	**Components of cash and cash equivalents**		
	Cash in hand	**0.51**	0.70
	Balances with banks:		
	In cash credit and current accounts	**3.86**	24.76
	Fixed deposits with original maturity less than three months	**840.00**	-
		844.37	25.46

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard (Ind AS) - 7 on Cash Flow Statements.

2 Prior year comparatives have been reclassified to conform with current year's presentation, wherever applicable.

3 Figures in brackets represent out flows of cash and cash equivalents.

The accompanying notes form an integral part of Ind AS financial statements
As per our report of even date
For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

For and on behalf of the Board of Directors of
J S Auto Cast Foundry India Private Limited

Rajhagopalan Sudharssanam
Director
DIN: 09657337
Place: Pune
Date: 27 April 2026

Sumeet Banga
Director
DIN: 07472953
Place: Pune
Date: 27 April 2026

Chandramohan Madhan
Chief Financial Officer
Place: Coimbatore
Date: 27 April 2026

Statement of Changes in Equity

for the year ended 31 March 2026
(All amounts are in Indian Rupees millions, unless otherwise stated)

A. Equity share capital:

Equity shares of Rs. 10 each issued, subscribed and paid up

Particulars	Amount
As at 1 April 2024	44.55
Issue of equity shares	1.37
As at 31 March 2025	45.92

	Amount
As at 1 April 2025	**45.92**
Issue of equity shares	**1.81**
As at 31 March 2026	**47.73**

B. Instruments entirely equity in nature

0.001% Compulsorily Convertible Preference shares of Rs. 100 each fully paid up

Particulars	Amount
As at 1 April 2024	-
Issued during the year	-
As at 31 March 2025	-

	Amount
As at 1 April 2025	**-**
Issued during the year	**142.58**
As at 31 March 2026	**142.58**

B. Other equity

Particulars	Share application money	Securities premium	Retained earnings	Cash flow hedge reserve	Total
Balance as at 1 April 2024	-	665.46	931.37	5.64	1,602.47
- Proceeds from issue of equity shares	180.00	-	-	-	180.00
- Allotment of equity share capital	(1.37)	-	-	-	(1.37)
- Transfer towards securities premium	(178.63)	178.63	-	-	-
- Profit for the year	-	-	475.59	-	475.59
- Other comprehensive income					
- Remeasurement of post employment benefit obligations (net of tax)	-	-	21.82	-	21.82
- Net movement in cash flow hedges (net of tax)	-	-	-	(6.81)	(6.81)
Total comprehensive income	-	-	497.41	(6.81)	490.60
Balance as at 31 March 2025	-	844.09	1,428.78	(1.17)	2,271.70
Balance as at 1 April 2025	**-**	**844.09**	**1,428.78**	**(1.17)**	**2,271.70**
- Proceeds from issue of equity shares/ preference shares	**3,290.00**	**-**	**-**	**-**	**3,290.00**
- Allotment of equity share capital	**(1.81)**	**-**	**-**	**-**	**(1.81)**
- Transfer towards securities premium	**(288.19)**	**288.19**			**-**
- Allotment of preference share capital	**(142.58)**	**-**	**-**	**-**	**(142.58)**
- Transfer towards securities premium	**(2,857.42)**	**2,857.42**	**-**	**-**	**-**
- Expense related to issue of preference shares	**-**	**(61.50)**	**-**	**-**	**(61.50)**
- Profit for the year	**-**	**-**	**505.42**	**-**	**505.42**
- Other comprehensive income					
- Remeasurement of post employment benefit obligations (net of tax)	**-**	**-**	**(4.87)**	**-**	**(4.87)**
- Net movement in cash flow hedges (net of tax)	**-**	**-**	**-**	**(90.29)**	**(90.29)**
Total comprehensive income	**-**	**-**	**500.55**	**(90.29)**	**410.26**
Balance as at 31 March 2026	**-**	**3,928.20**	**1,929.33**	**(91.46)**	**5,766.07**

The accompanying notes form an integral part of Ind AS financial statements
As per our report of even date
For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

For and on behalf of the Board of Directors of
J S Auto Cast Foundry India Private Limited

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Director
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Sumeet Banga
Director
DIN: 07472953
Place: Pune
Date: 27 April 2026

Chandramohan Madhan
Chief Financial Officer
Place: Coimbatore
Date: 27 April 2026

Notes to the Ind AS Financial Statements

for the year ended 31 March 2026

1. CORPORATE INFORMATION

J S Auto Cast Foundry India Private Limited ("the Company") is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Bharat Forge Limited is the ultimate holding Company and BF Industrial Solutions Limited is the holding Company of the Company. The Company is engaged in the manufacturing and selling of raw and machined castings. The Company caters to both domestic and international markets. The registered office of the Company is located at SF No. 165/1 Sembagounden Pudur, Kuppepalayam, Coimbatore 641107. The Company's CIN is U27310TZ2004PTC011284. The financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 27 April 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 Summary of material accounting policies

a) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also its functional currency.

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

c) Fair value measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received on sell of 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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 financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 44)
- Quantitative disclosures of fair value measurement hierarchy (note 44)
- Investment in unquoted equity shares (note 6)
- Financial instruments (including those carried at amortised cost) (note 44)

d) Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on date of bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 15 to 180 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

Export incentives

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1 – 4 days for completion and accordingly, revenue is recognized when products are sent to customer on which job work is completed. The normal credit period is 60 days.

Interest income

For all debt instruments measured either at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected Cash Flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the Statement of Profit and Loss.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.2 (o) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in form of advance from customer (or an amount of consideration is due). If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs the obligation as per the contract.

e) Investments in associates

The Company has subscribed 26% of paid-up chare capital of Ratnakar Energy Private Limited ('REPL') and 44% of paid-up chare capital of Sunsure Solarpark Twenty Three Private Limited ('SSSP') in accordance with the Share purchase agreement dated 27 July 2023 and 20 July 2024 respectively as conditions precedents to purchase of solar power on a group captive power basis under the provisions of The Electricity Act, 2003.

The below mentioned paragraphs details out the provisions of Indian Accounting Standards and the Companies Act, 2013 w.r.t the above investments and includes the material accounting policies followed by the Company to account for, properly present and disclose the investment in associates.

Associates as defined in Ind AS 28 Investments in Associates and Joint Ventures

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds 20 percent or more of the voting power of the investee unless it can be clearly demonstrated that this is not the case.

All though, the Company holds more than 20% of the total voting power it can be clearly demonstrated that the Company does not exercise significant influence on account of following reasons:

- the Company does not have the power to participate in the financial and operating policy decisions of REPL/SSSP, since the sole purpose of the abovementioned shareholders agreement is to purchase power without any economic and financial interest;

- the Company does not have any representatives in board of directors of REPL/SSSP;

- the Company has contractually waived off its rights to participate in the policy making decision of REPL including that related to dividends or other distributions;

In view of above, investment in REPL/SSSP has not been classified as Investment in associates since it can be clearly demonstrated that the Company does not exercise significant influence over REPL/SSSP. Accordingly, the management has concluded that the equity method of accounting as prescribed in Ind AS 28 shall not apply to the investment in REPL/SSSP (i.e.) the Company is not required to prepare consolidated financial statements in respect of the above investments.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income ("OCI") or in equity). 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.

Indirect taxes paid on acquisition of assets or on incurring expense

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

g) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on :

- useful lives determined based on internal technical evaluation,
- residual value of respective assets, which are not more than 5% of the original cost of the asset.

Type of asset	Schedule II life (years)	Useful lives estimated by the management (years)
Building – factories	30	30
Buildings – others (including roads)	5 to 60	5 to 15
Plant and machineries (including electrical installations)	15	8 to 25
Plant and machineries – computers	3	3
Office equipment	5	10
Furniture and fixtures	10	10
Vehicles – Four wheelers	8	8

The Company, based on technical assessment made by a technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Acquired intangible assets which comprise expenditure incurred on acquisition of user licenses for computer software's are amortised over the estimated useful life (say 3 years) on a straight-line basis. The useful life of intangible assets is reviewed by management at each Balance Sheet date.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (say 99 years).

If ownership of the leased asset transfers to the Company at the end of the lease term or the

cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate, are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

k) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

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.

l) Impairment of non-financial assets

The Company assesses, at each reporting date, 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) fair value less costs of disposal and its value in use. 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 group of assets. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate Cash Flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates Cash Flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or country or countries in which the entity operates or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations including impairment on inventories, are recognised in the Statement of Profit and Loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 exceeds 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 Statement of Profit and Loss.

m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Post-employment and other employee benefits

Provident fund

The Company contributes regularly towards the provident fund of its employees to the Government

administered pension fund which is a defined contribution scheme.

The Company has no obligation, other than the contribution payable to the provident fund scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity and other long term benefits

The Company operates a defined benefits plan for its employee's viz. gratuity scheme and loyalty bonus scheme. Payment for present liability of future payment of gratuity and loyalty bonus is unfunded. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for the plan using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet as asset / liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Privilege leave benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

o) 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.

Financial assets

Initial recognition and measurement

All financial assets except trade or other receivables that result from transactions within scope of IND

AS 115, 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 and other receivables arising as a result of transactions within scope of IND AS 115 are initially recorded at transaction price.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss ('FVTPL')
- Equity instruments are measured at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss (FVTPL).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual Cash Flows, and

b) 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.

This category is the most relevant to the Company. 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 other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or as at FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 investment as at FVTOCI, 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 the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive Cash Flows from the asset have expired, or
- The Company has transferred its rights to receive Cash Flows from the asset or has assumed an obligation to pay the received Cash Flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive Cash Flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

a) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are measured at FVTOCI

c) Lease receivables under Ind AS 116

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e. all cash shortfalls), 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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. 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.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase / origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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.

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 financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 Statement of Profit and Loss.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet 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.

p) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to Statement of Profit and Loss when the hedge item affects Statement of Profit and Loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

The Company uses forward currency contracts and range forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs. (refer to note 42).

Amounts recognised as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit and loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

q) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

r) Dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company has applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identifying contracts with customers

The management of the Company has exercised judgement to determine contract with customers for the purpose of Ind AS 115 and for identification of performance obligations and other associated terms.

b) Identifying performance obligation

The Company enters into contract with customers for goods and services. The Company determined that both the goods and services are capable of being distinct. The Company also determined that the promises to transfer these goods and services are distinct within the context of the contract.

c) Determination of timing of satisfaction of performance obligation

The Company concluded that revenue from sale of goods to be recognised at a point in time and revenue from sale of services to be recognised over a period of time. The Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples

or other available fair value indicators.

2) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note 36.

3) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

2.4 New amendments issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2026, MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements relating to the classification of liabilities subject to covenant breaches applicable to the Company w.e.f 1 April 2026. The Company has reviewed the new pronouncement and based on its evaluation has determined that it does not have any impact on the financial statements.

3(A) PROPERTY, PLANT AND EQUIPMENTS

Particulars	Freehold land	Building	Plant and equipment	Electrical installations	Furniture and fixtures	Computers	Office equipments	Vehicles	Total	Capital work -in-progress
Gross Block										
Balance as at 1 April 2024	31.11	599.56	2,102.53	116.12	33.18	14.51	5.63	25.80	2,928.44	69.91
Additions	-	9.56	302.20	3.83	1.75	4.69	0.67	-	322.70	-
Disposals	-	(1.23)	(1.45)	-	-	(0.03)	(0.05)	-	(2.76)	-
Balance as at 31 March 2025	31.11	607.89	2,403.28	119.95	34.93	19.17	6.25	25.80	3,248.38	69.91
Balance as at 1 April 2025	**31.11**	**607.89**	**2,403.28**	**119.95**	**34.93**	**19.17**	**6.25**	**25.80**	**3,248.38**	**69.91**
Additions	**-**	**4.05**	**234.51**	**9.12**	**7.03**	**9.41**	**2.56**	**-**	**266.68**	**-**
Disposals	**-**	**-**	**(1.99)**	**-**	**-**	**-**	**-**	**(0.35)**	**(2.34)**	**-**
Balance as at 31 March 2026	**31.11**	**611.94**	**2,635.80**	**129.07**	**41.96**	**28.58**	**8.81**	**25.45**	**3,512.72**	**69.91**
Accumulated depreciation										
Balance as at 1 April 2024	-	45.43	326.36	23.20	10.11	5.68	1.46	10.09	422.33	-
Charge for the year	-	21.90	179.80	12.45	3.59	4.08	0.67	3.93	226.42	-
Disposals	-	(0.15)	(0.43)	-	-	-	(0.03)	-	(0.61)	-
Balance as at 31 March 2025	-	67.18	505.73	35.65	13.70	9.76	2.10	14.02	648.14	-
Balance as at 1 April 2025	**-**	**67.18**	**505.73**	**35.65**	**13.70**	**9.76**	**2.10**	**14.02**	**648.14**	**-**
Charge for the year	**-**	**23.00**	**195.26**	**12.98**	**3.86**	**5.67**	**0.81**	**3.23**	**244.81**	**-**
Disposals	**-**	**-**	**(1.09)**	**-**	**-**	**-**	**-**	**(0.31)**	**(1.40)**	**-**
Balance as at 31 March 2026	**-**	**90.18**	**699.90**	**48.63**	**17.56**	**15.43**	**2.91**	**16.94**	**891.55**	**-**
Net block										
Balance as at 31 March 2025	31.11	540.71	1,897.55	84.30	21.23	9.41	4.15	11.78	2,600.24	69.91
Balance as at 31 March 2026	**31.11**	**521.76**	**1,935.90**	**80.44**	**24.40**	**13.15**	**5.90**	**8.51**	**2,621.17**	**69.91**

(All amounts are in Indian Rupees millions, unless otherwise stated)

3(B) CAPITAL WORK IN PROGRESS AGEING SCHEDULE

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31 March 2025					
Projects temporarily suspended (refer note below)	-	-	32.65	37.26	69.91
Total	-	-	32.65	37.26	69.91
31 March 2026					
Projects temporarily suspended (refer note below)	-	-	-	**69.91**	**69.91**
Total	-	-	-	**69.91**	**69.91**

Note: The manangement is in the process of finalising a detailed operational plan for the projects that are temporarily suspended and expects to resume active development of the projects in the upcoming financial year. Further, the management believes that the economic benefits associated with the assets shall flow to the Company in subsequent financial years.

4(A) INTANGIBLE ASSETS

Particulars	Computer and software	Total	Intangible Assets under development "IAUD"
Gross Block			
Balance as at 1 April 2024	19.95	19.95	-
Additons	1.23	1.23	-
Disposals	-	-	-
Balance as at 31 March 2025	21.18	21.18	-
Balance as at 1 April 2025	**21.18**	**21.18**	**-**
Additons	**2.80**	**2.80**	**41.49**
Disposals	**-**	**-**	**-**
Balance as at 31 March 2026	**23.98**	**23.98**	**41.49**
Accumulated amortisation			
Balance as at 1 April 2024	9.24	9.24	-
Amortisation	4.33	4.33	-
Disposals	-	-	-
Balance as at 31 March 2025	13.57	13.57	-
Balance as at 1 April 2025	**13.57**	**13.57**	**-**
Amortisation	**4.63**	**4.63**	**-**
Disposals	**-**	**-**	**-**
Balance as at 31 March 2026	**18.20**	**18.20**	-
Net block			
Balance as at 31 March 2025	7.61	7.61	-
Balance as at 31 March 2026	**5.78**	**5.78**	**41.49**

(All amounts are in Indian Rupees millions, unless otherwise stated)

4(B) INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD) AGEING SCHEDULE

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**41.49**	**-**	**-**	**-**	**41.49**
Total	**41.49**	**-**	**-**	**-**	**41.49**

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company has taken factory premises/factory shed, leasehold land, residential premises, office spaces and plant and equipments, the balance lease term of which varies from 2 to 6 years for buildings, 1 to 98 years for leasehold land and 2 years for plant and equipments.

(a) Right-of-use assets

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Plant and machinery	Leasehold land	Buildings	Total
As at 1 April 2024	14.32	206.40	86.22	306.94
Additions	-	38.74	20.06	58.80
Deletions	-	-	(7.80)	(7.80)
Depreciation	(2.18)	(2.75)	(17.01)	(21.94)
As at 31 March 2025	12.14	242.39	81.47	336.00
As at 1 April 2025	**12.14**	**242.39**	**81.47**	**336.00**
Additions	**-**	**-**	**12.61**	**12.61**
Deletions	**-**	**-**	**-**	**-**
Depreciation	**(2.18)**	**(3.01)**	**(21.10)**	**(26.29)**
As at 31 March 2026	**9.96**	**239.38**	**72.98**	**322.32**

(b) Lease liabilities

Below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 March 2026	31 March 2025
As at the beginning of the year	**92.40**	97.47
Additions	**12.16**	53.82
Accretion of interest	**7.50**	7.49
Deletions	-	(7.19)
Payments	**(29.50)**	(59.19)
As at the end of the year	**82.56**	92.40
Current	**27.25**	21.53
Non-current	**55.31**	70.87

The effective interest rate for lease liabilities ranges from 7.75% p.a to 11.00% p.a (31 March 2025: 7.75% p.a to 11.00% p.a)

The Company had total cash outflows for leases of Rs. 76.28 million (31 March 2025: Rs. 78.33 million) inclusive of cash outflow attributable to short term and low value leases.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(c) Disclosure as required by Ind AS 116 - Leases

Amounts recognised in statement of profit and loss:

	31 March 2026	31 March 2025
Depreciation of right-of-use assets	**26.29**	21.94
Interest on lease liabilities	**7.50**	7.49
Expense relating to short-term and low value leases (refer note below)	**25.49**	19.14
Expense towards leases not qualifying as right of use assets	**21.29**	-
Total amount recognised in Statement of Profit and Loss	**80.57**	48.57

Below are the undiscounted potential future rental payments relating to leases liabilities recognised and outstanding at the end of the year:

Particulars	Within 5 years	More than 5 years	Total
31 March 2026	**95.08**	**1.63**	**96.71**
31 March 2025	106.69	10.78	117.47

The Company has certain leases of various assets with lease terms less than 12 months and certain leases of office equipment of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases which is recognised directly in Statement of Profit and Loss (included as a part of "Other expenses").

6 INVESTMENTS

	31 March 2026	31 March 2025
Unquoted		
Investments designated at fair value through other comprehensive income (FVTOCI)		
Investment in 13,00,000 Equity shares of Ratnakar Energy Private Limited (31 March 2025 :13,00,000)	**13.00**	13.00
Investment in 82,320 Equity shares of Sunsure Solarpark Twenty Three Private Limited (31 March 2025 : Nil)	**102.90**	-
Investment in partnership firm : 14% profit share in SPI Power LLP (31 March 2025 : 14%)	**0.01**	0.01
	115.91	13.01

7 OTHER NON-CURRENT FINANCIAL ASSETS

(at amortised cost)

	31 March 2026	31 March 2025
Security deposits	**117.36**	82.10
	117.36	82.10

(All amounts are in Indian Rupees millions, unless otherwise stated)

8 OTHER NON-CURRENT ASSETS

	31 March 2026	31 March 2025
Capital advances	**11.88**	6.15
	11.88	6.15

9 INVENTORIES

(valued at lower of cost or net realisable value)

	31 March 2026	31 March 2025
Raw materials and components	**387.98**	324.77
Work-in-progress	**448.69**	372.25
Finished goods	**168.45**	147.11
Stores, spares and loose tools	**108.51**	99.35
	1,113.63	943.48

10 TRADE RECEIVABLES

	31 March 2026	31 March 2025
Unsecured (undisputed)		
Considered good	**2,874.18**	2,530.89
Significant increase in credit risk	**-**	-
Credit impaired	**-**	-
Less: Impairment allowance (including allowance for bad debts and expected credit loss)	**(35.34)**	(35.34)
	2,838.84	2,495.55

Trade receivable ageing schedule

As at 31 March 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed dues							
(a) Considered good	**2,522.19**	**278.16**	**27.97**	**41.52**	**4.34**	**-**	**2,874.18**
(b) significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(c) Credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,522.19**	**278.16**	**27.97**	**41.52**	**4.34**	**-**	**2,874.18**

As at 31 March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed dues							
(a) Considered good	2,016.02	501.84	9.66	3.37	-	-	2,530.89
(b) significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Total	2,016.02	501.84	9.66	3.37	-	-	2,530.89

(All amounts are in Indian Rupees millions, unless otherwise stated)

11 CURRENT INVESTMENTS

	31 March 2026	31 March 2025
Unquoted		
Investments designated at fair value through profit or loss (FVTPL)		
Investments in mutual funds		
49,432.161 units of Axis Liquid Fund - Regular Growth (CFGPG) (31 March 2025: Nil)	**150.10**	-
40,267.836 units of UTI Liquid Fund - Regular Plan - Growth (31 March 2025: Nil)	**180.10**	-
	330.20	-

12 CASH AND BANK BALANCES

	31 March 2026	31 March 2025
Cash and cash equivalents		
Cash in hand	**0.51**	0.70
Balance with banks		
In cash credit and current accounts	**3.86**	24.76
Fixed deposits with original maturity less than three months	**840.00**	-
	844.37	25.46
Other bank balances		
Fixed deposits with remaining maturity more than 12 months	**1,020.00**	-
Earmarked balance* (on unspent CSR account)	**1.16**	1.97
	1,021.16	1.97
Details of bank balances		
Bank balances available on demand	**3.86**	24.76
Fixed deposits with original maturity less than three months	**840.00**	-
Fixed deposits with remaining maturity less than 12 months	**1,020.00**	-
Other bank balances	**1.16**	1.97
	1,865.02	26.73

*Earmarked balances on CSR account are restricted and not available for general use by the Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

13 OTHER CURRENT FINANCIAL ASSETS

(at amortised cost)

	31 March 2026	31 March 2025
Secured, considered good		
Capital advance recoverable (refer note below)	**8.00**	8.00
	8.00	8.00
Unsecured		
Considered good		
Capital advance recoverable (refer note below)	**12.12**	12.12
Interest accrued on fixed deposits	**1.48**	-
Security deposits	**2.20**	2.12
Loan to employees	**1.65**	2.07
Export incentive receivable	**17.24**	24.52
	34.69	40.83
	42.69	48.83

Note: During the financial year 2023-2024, the Company had acquired a SEZ unit from Indo Shell Mould Limited ("ISML") for a total consideration of Rs. 533.08 million. However, an excess amount of Rs. 20.12 million over and above total consideration was transferred to ISML. The Company has issued a legal notice to ISML on 7 November 2024 for initiating arbitration proceedings. The matter is under arbitration as at 31 March 2026 and the Company believes that excess amount paid will be fully recovered in subsequent financial years. A registered mortgage of land, valued at Rs. 8.00 million, belonging to the promoters of ISML is also executed in favour of the Company against the excess amount paid.

14 OTHER CURRENT ASSETS

	31 March 2026	31 March 2025
Balances with government authorities	**102.56**	56.09
Advance to suppliers	**18.45**	40.34
Prepaid expenses	**7.49**	2.44
	128.50	98.87

15 SHARE CAPITAL

	31 March 2026	31 March 2025
Authorized capital:		
90,00,000 (31 March 2025: 90,00,000) equity shares of Rs. 10/- each	**90.00**	90.00
15,00,000 (31 March 2025: Nil) 0.001% compulsorily convertible preference shares of Rs. 100 each	**150.00**	-
Issued, subscribed and paid up capital:		
47,73,314 (31 March 2025: 45,92,063) equity shares of Rs. 10/- each	**47.73**	45.92
14,25,794 (31 March 2025: Nil) 0.001% Compulsorily Convertible Preference shares of Rs. 100 each fully paid up	**142.58**	-
	190.31	45.92

(All amounts are in Indian Rupees millions, unless otherwise stated)

(a) Rights, preference and restrictions attached to the equity shares

The Company has a single class of equity shares having a par value of Rs. 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(b) Rights, preference and restrictions attached to the 0.001% Compulsorily Convertible Preference shares

The Compulsorily Convertible Preference shares ("CCPS"), having face value of Rs. 100 each are non-cumulative and carry a coupon rate of 0.001% and are at the option of the investor, voluntarily convertible into equity shares of the Company at any time within 20 years from the date of issuance. These CCPS are convertible into equity shares at a conversion ratio of 1:1 (i.e., one equity share for each CCPS). The CCPS do not carry any voting rights but have preferential rights over equity shares with respect to payment of dividends and return of capital.

(c) Reconciliation of equity and preference shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2026		31 March 2025	
	Number of shares	Rs. in millions	Number of shares	Rs. in millions
Equity share capital				
At the beginning of the year	**4,592,063**	**45.92**	4,454,658	44.55
Issued during the year	**181,251**	**1.81**	137,405	1.37
Outstanding at the end of the year	**4,773,314**	**47.73**	4,592,063	45.92
Compulsorily Convertible Preference shares				
At the beginning of the year	**-**	**-**	-	-
Issued during the year	**1,425,794**	**142.58**	-	-
Outstanding at the end of the year	**1,425,794**	**142.58**	-	-

(d) Details of shares held by holding Company

Particulars	31 March 2026		31 March 2025	
	Number of shares	Rs. in millions	Number of shares	Rs. in millions
Equity share capital				
BF Industrial Solutions Limited*	**4,773,313**	**47.73**	4,592,063	45.92

*including shares held by nominees of the Holding Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(e) Details of shareholding of promoters

Name of the promoter	Number of share held at 31 March 2026	% of total shares	% Change during the year
Equity share capital			
BF Industrial Solutions Limited*	**4,773,313**	**100%**	**-**
	4,773,313	**100%**	**-**

*including shares held by nominees of the Holding Company.

Name of the promoter	Number of share held at 31 March 2025	% of total shares	% Change during the year
Equity share capital			
BF Industrial Solutions Limited*	4,592,063	100%	-
	4,592,063	100%	-

*including shares held by nominees of the Holding Company.

(f) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2026		31 March 2025	
	Number of shares	**% holding**	Number of shares	% holding
Equity share capital				
BF Industrial Solutions Limited*	**4,773,313**	**100%**	4,592,063	100%
	4,773,313	**100%**	4,592,063	100%
Preference share capital				
PI Opportunities Fund I Scheme II	**1,425,794**	**100%**	-	-
	1,425,794	**100%**	-	-

*including shares held by nominees of the Holding Company.

Details of terms of securities convertible into equity shares

During the year, the Company had issued 14,25,794 Compulsorily Convertible Preference Shares ('CCPS') of face value of Rs. 100 each. The details of terms of securities are as follows :

(a) CCPS carries coupon rate of 0.001% and are non-cumulative in nature

(b) CCPS, at the option of the investor, are voluntarily convertible into equity shares of the Company at any time within 20 years from the date of issuance.

(c) These CCPS are convertible into equity shares at a conversion ratio of 1:1 (i.e., one equity share for each CCPS)

(d) The CCPS do not carry any voting rights but have preferential rights over equity shares with respect to payment of dividends and return of capital.

(All amounts are in Indian Rupees millions, unless otherwise stated)

16 OTHER EQUITY

	31 March 2026	31 March 2025
Securities premium	**3,928.20**	844.09
Retained earnings		
As at the beginning of the year	**1,428.78**	931.37
Profit for the year	**505.42**	475.59
Items of other comprehensive income for the year		
- Re-measurement loss on defined benefit plans	**(6.51)**	29.16
Less: Income tax effect on re-measurement loss	**1.64**	(7.34)
	1,929.33	1,428.78
Cash flow hedge reserve		
As at the beginning of the year	**(1.17)**	5.64
Add: Net gain on cash flow hedge for the year	**(231.62)**	(2.87)
Less: Reclassified to profit and loss	**108.83**	(7.45)
Less: Income tax effect on above	**32.50**	3.51
	(91.46)	(1.17)
	5,766.07	2,271.70

17 LONG TERM BORROWINGS

	31 March 2026	31 March 2025
Secured *		
Term loans from banks (refer note A)	**788.28**	1,049.11
Unsecured		
Inter-corporate deposits from ultimate holding Company (refer note B)	**-**	114.05
	788.28	1,163.16

*Refer note 20 for current maturities of long term borrowings

Details of interest, terms of repayment and securities provided in respect of long term borrowings :

Note A : Term loans from banks availed during the year

Term loans availed from ICICI bank and IndusInd Bank are repayable in 7 to 9 variable quarterly installments. The quarterly installment amount varies from Rs. 15.83 million to Rs. 61.25 million and carries an interest rate ranging from 7.50% p.a. to 8.10% p.a. chargeable separately.

During the previous year, the Company had availed a term loan of Rs. 400.00 million from HDFC Bank out of which Rs 267.41 million were disbursed upto 31 March 2025 and balance Rs. 132.59 million were disbursed in the current financial year. This term loan is repayable in 36 equal monthly installments of Rs. 11.11 million after an initial moratorium of 2 years from the date of first disbursement and carries an interest of 7.00% p.a. to be charged separately.

The term loans are secured by,

(a) Exclusive charge by way of hypothecation on plant and equipment of the Company funded by the respective banks; and

(b) First Pari Passu charge over other plant and machinery of the Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

Note B : Inter-corporate deposits from Ultimate Holding Company

Inter corporate deposits accepted from the Ultimate Holding Company carried an interest rate ranging from 8.50% p.a. to 8.70% p.a. and were repayable in single bullet payment. During the current financial year, the Company has fully repaid the outstanding Inter-corporate deposits along with applicable interest in accordance with the agreed terms.

18 LONG TERM PROVISIONS

	31 March 2026	31 March 2025
Provision for gratuity (refer note 36)	**34.35**	56.60
Provision for compensated absences	**20.36**	7.36
Provision for employee benefits (refer note 36)	**107.11**	112.36
	161.82	176.32

19 INCOME TAX

The major components of income tax expense for the years ended 31 March 2026 and 31 March 2025 are :

		31 March 2026	31 March 2025
(A)	**Statement of Profit and Loss:**		
	Current tax :		
	Current tax	**57.84**	174.19
	Earlier year taxes	**2.79**	(32.26)
		60.63	141.93
	Deferred tax :		
	Deferred tax	**105.95**	(27.23)
	Income tax expense reported in the Statement of Profit and Loss	**166.58**	114.70
(B)	**Deferred tax related to items recognised in other comprehensive income:**		
	Re-measurement losses on defined benefit plans	**1.64**	(7.34)
	Net movement in cash flow hedges	**32.50**	3.51
	Income tax charged to other comprehensive income	**34.14**	(3.83)
(C)	**Balance Sheet**		
	Income tax assets	**94.38**	-
	Income tax liabilities (net of advance tax and withholding taxes)	**-**	82.73
		94.38	(82.73)

(All amounts are in Indian Rupees millions, unless otherwise stated)

(D) Reconciliation of tax on accounting profit with tax expenses for the year ended 31 March 2026 and 31 March 2025 :

Particulars	31 March 2026	31 March 2025
Profit before tax	**672.00**	590.29
Applicable income tax rate of 25.168% (31 March 2025: 25.168%)	**25.17%**	25.17%
Tax on accounting profit	**169.13**	148.56
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Impact of change in effective rate of tax	**-**	(8.94)
Tax impact of permanent difference	**(1.97)**	11.14
Earlier year taxes (including earlier year deferred tax)	**(6.23)**	(35.70)
Others	**5.65**	(0.36)
Total	**166.58**	114.70

(E) Major components of deferred tax as at 31 March 2026 and 31 March 2025 are :

Deferred tax liability (net)	Balance Sheet	
	31 March 2026	31 March 2025
Deferred tax relates to the following:		
Property, plant and equipments and intangible assets	**166.01**	152.02
Right-of-use assets (net of lease liabilities)	**45.10**	46.06
Equity instrument designated at amortised cost	**-**	-
Impairment allowance on trade receivables (including expected credit loss)	**(8.89)**	(8.88)
Provisions for slow moving inventories	**(7.55)**	(7.55)
Expenses allowable on payment basis	**(40.28)**	(124.36)
Provision for gratuity	**(11.91)**	(19.12)
Cash flow hedge	**(32.98)**	(0.48)
Net deferred tax liabilities	**109.50**	37.69

(F) Major components of deferred tax for the year ended 31 March 2026 and 31 March 2025 :

Reflected in the balance sheet as follows	31 March 2026	31 March 2025
Deferred tax liabilities	**211.11**	198.08
Deferred tax assets	**(101.61)**	(160.39)
Deferred tax liabilities (net)	**109.50**	37.69

(All amounts are in Indian Rupees millions, unless otherwise stated)

(G)	Reconciliation of deferred tax liabilities (net)	31 March 2026	31 March 2025
	Balance at beginning of the year	**37.69**	61.09
	Tax expense during the year recognised in statement profit or loss	**105.95**	(27.23)
	Tax expense during the year recognised in other comprehensive income	**(34.14)**	3.83
	Net deferred tax expense for the year	**71.81**	(23.40)
	Balance at end of the year	**109.50**	37.69

Deferred tax charge/(credit)	Statement of Profit and Loss	
Deferred tax relates to the following:	**31 March 2026**	31 March 2025
Property, plant and equipments and intangible assets	**13.99**	(82.51)
Right-of-use assets (net of lease liabilities)	**(0.96)**	(9.35)
Equity instrument designated at amortised cost	**-**	-
Impairment allowance on trade receivables (including expected credit loss)	**(0.01)**	3.47
Provisions for slow moving inventories	**-**	2.93
Expenses allowable on payment basis	**84.08**	60.80
Provision for gratuity	**7.21**	4.77
Cash flow hedge	**(32.50)**	(3.51)
Deferred tax charge/(credit)	**71.81**	(23.40)

20 SHORT TERM BORROWINGS

	31 March 2026	31 March 2025
Secured		
Working capital loans from bank in foreign currencies (refer note A)	**601.45**	692.00
Working capital loans from bank in Indian Rupees (refer note B)	**18.44**	-
Current maturities of long term borrowings (refer note 17)	**394.67**	358.33
	1,014.56	1,050.33

Details of interest, terms of repayment and securities provided in respect of secured short term borrowings :

Note A : Working capital loans from bank in foreign currencies

Working capital loans from bank in foreign currencies comprises of packing credit and export bill discounting facilities availed from ICICI Bank Limited. These working capital loans carry an interest rate benchmarked to SOFR/EURIBOR as applicable along with a spread decided at the time of each drawal. The facilities are repayable on demand and are secured by first parri passu charge by way of hypothecation on all current assets, including but not limited to inventories and trade receivables of the Company.

Note B : Working capital loans from bank in Indian currencies

Working capital loans from bank in Indian Rupees comprises of cash credit facilities availed from IndusInd Bank Limited. These working capital loans carry an interest rate benchmarked to the bank's MCLR along with a spread which as at 31 March 2026 is 8.30% p.a. The facility is repayable on demand and are secured by first parri passu charge by way of hypothecation of all current assets of the Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

21 TRADE PAYABLES

	31 March 2026	31 March 2025
Due to micro enterprises and small enterprises (MSME) (refer note 38)	**240.53**	597.54
Due to others	**1,034.16**	1,069.05
	1,274.69	1,666.59

Trade payables ageing schedule

As at 31 March 2026

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
MSME	**234.56**	**5.97**	**-**	**-**	**-**	**240.53**
Others	**529.15**	**330.32**	**0.52**	**0.12**	**-**	**860.11**
Unbilled *	**174.05**	**-**	**-**	**-**	**-**	**174.05**
Total	**937.76**	**336.29**	**0.52**	**0.12**	**-**	**1,274.69**

As at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
MSME	295.42	301.87	0.25	-	-	597.54
Others	434.91	492.16	0.12	0.06	-	927.25
Unbilled *	141.80	-	-	-	-	141.80
Total	872.13	794.03	0.37	0.06	-	1,666.59

22 DERIVATIVE INSTRUMENTS

	31 March 2026	31 March 2025
Forward contracts designated as cash flow hedge :		
Derivative financial liabilities	**131.06**	1.90
	131.06	1.90

23 OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2026	31 March 2025
Capital creditors	**41.82**	-
	41.82	-

(All amounts are in Indian Rupees millions, unless otherwise stated)

24 OTHER CURRENT LIABILITIES

	31 March 2026	31 March 2025
Employee related liabilities	**84.53**	68.28
Statutory dues	**33.32**	22.17
	117.85	90.45

25 SHORT TERM PROVISIONS

	31 March 2026	31 March 2025
Provision for gratuity (refer note 36)	**12.96**	19.36
Provision for compensated absences	**3.64**	1.45
Provision for employee benefits (refer note 36)	**24.47**	29.18
	41.07	49.99

26 REVENUE FROM OPERATIONS

	31 March 2026	31 March 2025
Sale of goods	**7,436.63**	6,853.98
Sale of services	**1.48**	12.27
Other operating revenue:		
Sale of scrap	**34.60**	23.32
Export incentives	**94.33**	77.37
Others	**3.62**	3.79
	7,570.66	6,970.73
(a) Disaggregation of revenue on the basis of geographical markets		
Revenue from outside India	**4,032.44**	3,464.41
Revenue from within India	**3,538.22**	3,506.32
Total Revenue from operations	**7,570.66**	6,970.73
(b) Revenue recognised from contract liabilities outstanding at the beginning of the year :	**-**	-
(c) Reconciliation of the revenue as per contracted price with revenue recognised in the Statement of Profit and Loss :		
Revenue from operations	**7,570.66**	6,970.73
Add/less : Loss/(gain) on forward contracts designated as cash flow hedge	**75.62**	(7.45)
Less : Export incentives from government	**(94.33)**	(77.37)
Revenue from contract with customers	**7,551.95**	6,885.91
Add : Discounts allowed to customers	**46.60**	-
Add : Sales rejections/returns	**47.49**	54.19
Revenue as per contracted price	**7,646.04**	6,940.10

(All amounts are in Indian Rupees millions, unless otherwise stated)

27 OTHER INCOME

	31 March 2026	31 March 2025
Gain on sale of property, plant and equipments	**0.39**	-
Interest income	**8.67**	6.12
Net gain on fair valuation of financial instruments (FVTPL)	**0.21**	-
Gain on mutual fund investments	**3.22**	-
Foreign exchange gain (net)	**51.68**	22.56
Miscellaneous income	**-**	1.44
	64.17	30.12

28 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	31 March 2026	31 March 2025
Inventories of raw material at the beginning of the year	**324.77**	215.32
Add: Purchases	**2,929.80**	2,862.18
Less: Inventories of raw material at the end of the year	**(387.98)**	(324.77)
Cost of raw materials and components consumed	**2,866.59**	2,752.73

29 INCREASE IN FINISHED GOODS AND WORK-IN-PROGRESS

	31 March 2026	31 March 2025
Inventories at the beginning of the year :		
Finished goods	**147.11**	109.03
Work in progress	**372.25**	278.27
	519.36	387.30
Inventories at the end of the year :		
Finished goods	**168.45**	147.11
Work in progress	**448.69**	372.25
	617.14	519.36
	(97.78)	(132.06)

30 EMPLOYEE BENEFITS EXPENSE

	31 March 2026	31 March 2025
Salaries, wages and bonus	**725.96**	633.43
Contribution to provident and other funds (refer note 36)	**39.55**	37.88
Gratuity expenses (refer note 36)	**17.58**	15.56
Staff welfare expenses	**74.25**	61.54
	857.34	748.41

(All amounts are in Indian Rupees millions, unless otherwise stated)

31 DEPRECIATION AND AMORTISATION

	31 March 2026	31 March 2025
Depreciation of property, plant and equipments	**244.81**	226.42
Depreciation of right-of-use assets	**26.29**	21.94
Amortisation of intangible assets	**4.63**	4.33
	275.73	252.69

32 FINANCE COSTS

	31 March 2026	31 March 2025
Interest on term loans	**109.56**	138.27
Interest on working capital loans	**57.88**	60.46
Interest on lease liabilities	**7.50**	7.49
Interest to micro enterprises and small enterprises (MSME)	**-**	8.30
Interest on delayed payment of income tax	**-**	10.96
	174.94	225.48

(All amounts are in Indian Rupees millions, unless otherwise stated)

33 OTHER EXPENSES

	31 March 2026	31 March 2025
Consumption of stores and spares	**489.05**	481.35
Labour charges	**815.99**	661.92
Power and fuel	**708.96**	709.01
Repairs and maintenance		
- Machinery	**148.81**	122.40
- Vehicles	**5.75**	7.58
- Building	**98.62**	88.15
Lease rent	**46.78**	19.14
Selling and distribution expenses	**435.99**	336.69
Rates and taxes	**6.40**	10.68
Communication expenses	**2.05**	1.83
Printing and stationery expenses	**7.26**	5.35
Legal and professional fees	**76.63**	59.55
Travelling and conveyance	**23.68**	18.24
Website and software expenses	**7.88**	13.87
Loss on sale of assets	**-**	0.63
Debit balances no longer recoverable	**-**	15.14
Payment to auditors (refer note below)	**3.30**	2.95
Expenditure towards Corporate Social Responsibity ('CSR') (refer note 41)	**7.38**	5.18
Miscellaneous expenses	**1.48**	3.65
	2,886.01	2,563.31
Payment to auditors :		
Statutory audit	**1.80**	1.55
Limited review	**0.80**	0.80
Tax matters	**0.45**	0.40
Others	**0.25**	0.20
	3.30	2.95

(All amounts are in Indian Rupees millions, unless otherwise stated)

34 EARNINGS PER SHARE ('EPS')

Earnings per share has been computed as under :

Sr. No.	Particulars		31 March 2026	31 March 2025
A	Net profit after tax attributable to equity shareholders	Rs. million	**505.42**	475.59
B	Weighted average number of equity shares outstanding during the year	Nos.	**4,626,327**	4,488,162
C	Weighted average number of potential equity shares outstanding during the year on account of complusory convertible preference shares	Nos.	**62,501**	-
D	Weighted average number of equity shares (including diluting shares) outstanding during the year	Nos.	**4,688,827**	4,488,162
E	Nominal value of each share	in Rs.	**10.00**	10.00
F	Basic Earnings per share (A/B)	in Rs.	**109.25**	105.97
G	Diluted Earnings per share (A/D)	in Rs.	**107.79**	105.97

35 RELATED PARTY TRANSACTIONS

A. Enterprises exercising control over the Company

Bharat Forge Limited	Ultimate Holding Company
BF Industrial Solutions Limited	Holding Company

B. Individuals exercising control over the Company

Varun Shah	Director
Rajhagopalan Sudharssanam	Director
Sumeet Banga	Chief Executive Officer and Director
Swapna Nagarkar	Director (from 12 December 2024)
Suresh Kumar	Whole Time Director (from 18 August 2025)
Chandramohan Madhan	Chief Financial Officer
Manoj Jaiswal	Director (from 16 March 2026)

C. Enterprises over which the Company or the key managerial personnel ('KMP') of the Holding Company or Ultimate Holding Company exercises control or significant influence :

BF Industrial Technology & Solutions Limited	Subsidiary of Holding Company
K Drive Mobility Solutions Private Limited	Subsidiary of Ultimate Holding Company
Kalyani Steel Limited	Company where KMPs of Ultimate Holding Company exercise control
Kalyani Technoforge Limited	Company where KMPs of Ultimate Holding Company exercise control

(All amounts are in Indian Rupees millions, unless otherwise stated)

D. Transactions with the above related parties and balances as at and for the year :

Sr No.	Name of the related party	31 March 2026		31 March 2025	
		Transactions during the year	**Balance receivable/ (payable)**	Transactions during the year	Balance receivable/ (payable)
1	**BF Industrial Solutions Limited**				
	Legal and professional fees	**33.04**	**-**	13.37	-
	Share application money received	**290.00**	**-**	180.00	-
	Issue of equity shares (including securities premium)	**290.00**	**-**	180.00	-
	Trade payable	**-**	**(10.79)**	-	(1.85)
2	**Bharat Forge Limited**				
	Intercorporate deposit (repaid)/ accepted	**(114.05)**	**-**	-	(114.05)
	Interest on inter corporate deposit	**7.67**	**-**	9.79	-
	Rates and taxes	**-**	**-**	0.01	-
	Legal and professional fees	**-**	**-**	0.15	-
	Sale of goods	**176.27**	**-**	155.92	-
	Trade receivable	**-**	**24.59**	-	31.47
3	**Kalyani Steel Limited**				
	Purchase of goods	**-**	**-**	1.19	-
4	**Chandramohan Madhan**				
	Remuneration paid	**8.13**	-	7.19	-
5	**Kalyani Technoforge Limited**				
	Sale of goods	-	-	1.38	-
	Trade receivable	-	**1.12**	-	1.55
6	**K Drive Mobility Solutions Private Limited**				
	Sale of goods	**0.97**	**-**	-	-
	Purchase of goods	**0.02**	**-**	-	-
	Trade payable	**-**	**(0.02)**	-	-
	Trade receivable	-	**1.14**	-	-
7	**Suresh Kumar**				
	Remuneration paid	**5.63**	-	-	-
8	**Sumeet Banga**				
	Remuneration paid	**3.56**	-	-	-

(All amounts are in Indian Rupees millions, unless otherwise stated)

36 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE IND AS 19 EMPLOYEE BENEFITS :

(A) Defined contribution plan

The Company makes provident fund contributions to defined contributions plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 35.16 million (31 March 2025 : Rs. 33.65 million) for Provident Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

(B) Defined benefit plans

Defined benefit plans comprises of post employement benefit plan (gratuity) and other long term employee benefits (loyalty bonus). These are measured at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using projected unit credit method. The break up of current and non current portion of above mentioned defined benefit plans are as under:

Particulars	31 March 2026	31 March 2025
Gratuity		
Non-current	**34.35**	56.60
Current	**12.96**	19.36
	47.31	75.96
Loyalty bonus		
Non-current	**107.11**	112.36
Current	**24.47**	29.18
	131.58	141.54

(C) The post employment benefit plan comprises of mainly gratuity plan under which an employee, who has rendered at least five years of continuous service are eligible to receive fifteen by twenty-six days salary for each completed year of service at the time of retirement/exit. The following tables summarise the movement in present value of defined benefit obligation, fair value of plan assets, net benefit expense recognised in the Statement of Profit and Loss and other compreshensive income for the gratuity plan:

	31 March 2026	31 March 2025
a) Movement in the present value of the defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**84.10**	68.37
Current service cost	**12.96**	10.48
Interest cost	**5.56**	4.62
Plan amendments	**0.53**	-
Benefits pay-out from plan	**(8.17)**	(1.14)
Benefits paid	**(0.06)**	(2.50)
Actuarial losses	**11.54**	4.27
Present value of defined benefit obligation at end of the year	**106.46**	84.10

(All amounts are in Indian Rupees millions, unless otherwise stated)

		31 March 2026	31 March 2025
b)	**Movement in the fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**8.14**	-
	Employer contribution	**60.02**	10.05
	Expected interest income	**2.36**	0.31
	Benefits pay-outs from plan	**(8.17)**	(1.14)
	Rates and taxes	**(0.89)**	(0.77)
	Actuarial losses	**(2.31)**	(0.31)
	Fair value of plan assets at end of the year	**59.15**	8.14
c)	**Net liability recognised in the Balance Sheet**		
	Present value of defined benefit obligation	**106.46**	84.10
	Fair value of plan assets	**(59.15)**	(8.14)
		47.31	75.96
d)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	**12.96**	10.48
	Interest cost (net of interest income from plan assets)	**3.20**	4.31
	Plan amendments	**0.53**	-
	Rates and taxes	**0.89**	0.77
		17.58	15.56
e)	**Expenses recognised in Other Comprehensive Income**		
	Actuarial losses on defined benefit obligation	**11.54**	4.27
	Actuarial losses on fair value of plan assets	**2.31**	0.31
		13.85	4.58
f)	**Actuarial assumptions**		
	i) Discount rate (%)	**7.22%**	6.95%
	ii) Salary escalation (%)	**6.00%**	5.00%
	iii) Withdrawal rate (%)	**10.00%**	5.00%
	iv) Retirement age (in years)	**58**	58
	v) Mortality rate	**Indian Assured Lives Mortality (2012-14) Ult.**	Indian Assured Lives Mortality (2012-14) Ult.

(All amounts are in Indian Rupees millions, unless otherwise stated)

g) Sensitivity analysis of present value of defined benefit obligation to 1% change in key assumptions

Particulars	31 March 2026		31 March 2025	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	**(9.91)**	**10.46**	(7.59)	8.91
Salary escalation rate	**9.42**	**(9.29)**	8.27	(7.23)
Withdrawal rate	**0.04**	**(0.84)**	1.02	(1.16)

h) Expected cash flows

Particulars	31 March 2026	31 March 2025
Year 1	**8.39**	6.66
Year 2	**7.57**	4.64
Year 3	**6.77**	4.13
Year 4	**6.42**	3.57
Year 5	**6.95**	3.39
Year 6 - 10	**39.67**	17.62

(D) Other long term employee benefits

Other long term employee benefits comprises of loyalty bonus payable to employees in future years which are measured at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using projected unit credit method. The amount of expenses recognised in Statement of Profit and Loss and other comprehensive income on account of loyalty bonus are as under :

Particulars	31 March 2026	31 March 2025
Expenses recognised in the Statement of Profit and Loss	**25.90**	25.80
Expenses recognised in other comprehensive income	**(8.16)**	(33.74)
Total	**17.74**	(7.94)

37 SEGMENT INFORMATION

Reportable segments

The Board of Directors have been identified as the Chief Operating Decision-Maker who examine the Company's performance both from a product and geographic perspective. The Chief Operating Decision Maker has identified only one reportable segment of "Foundry and Castings" comprising of castings and machined components for different sectors/industries. Hence the revenue, expenses, results, assets and liabilities disclosed in the Ind AS financial statements of the Company are allocable to one segment.

	31 March 2026	31 March 2025
Geographical information		
(i) Segment revenue from customers		
- within India	**3,538.22**	3,506.32
- outside India	**4,032.44**	3,464.41
	7,570.66	6,970.73
(ii) Segment assets		
- within India	**7,862.76**	5,076.72
- outside India (trade receivables)	**1,856.83**	1,652.46
	9,719.59	6,729.18

(All amounts are in Indian Rupees millions, unless otherwise stated)

38 DISCLOSURE PURSUANT TO THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSME')

Particulars		31 March 2026	31 March 2025
(a)	The Principal amount and the interest due thereon remaining unpaid to any supplier as below		
	- Principal amount due to micro and small enterprises	**240.53**	597.54
	- Interest due on above balance	**-**	8.30
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro and Small Enterprises Development Act, 2006, along with the amounts of the payments made to supplier beyond the appointed day during each accounting year.	**-**	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**28.30**	28.29
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro and Small Enterprises Developments Act, 2006.	**-**	-

39 CONTINGENT LIABILITIES

	31 March 2026	31 March 2025
Contingent liabilities (to the extent not provided for):		
Claims against Company not acknowledged as debts to the extent ascertained	**80.39**	-
Goods and Services Tax*	**0.31**	-

*Goods and services tax comprises of demands from the Goods and Services tax authorities arising on account of certain procedural matters related to the provisions of E-way bill and Input Tax Credits. The Company has made a payment of Rs.0.05 million under protest and filled appeals before the Goods and Services Tax Appellate Authority. The management believes that the ultimate outcome of this proceeding will not have any material adverse effect on the Company's financial position and results of operations.

40 CAPITAL AND OTHER COMMITMENTS

16.87	2.25

(All amounts are in Indian Rupees millions, unless otherwise stated)

41 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Company extents infrastructural assistance to educational institutions and hospitals and undertakes various activities including tree plantation, flood relief, promotion of education, etc. in and around the local area where the Company operates. There were no related party transactions included in CSR expenditure. As per provisions of section 135 of the Companies Act, 2013, the Company was required to spend Rs. 7.38 million, (31 March 2025 : Rs. 5.18 million) being 2% of average net profits of the last three financial years, in pursuance to its Corporate Social Responsibility policy on the activities specified in Schedule VII of the Act. The Company has spent Rs. 3.79 million (31 March 2025: Rs. 3.81 million) towards Corporate Social Responsibility activities. The break-up of expenditure incurred on Corporate Social Responsibility activities are as follows:

Particulars		31 March 2026	31 March 2025
(A)	Gross amount required to be spent during the year	**7.38**	5.18
(B)	Total of previous year shortfall remaining unspent	**3.89**	2.52
(C)	Amount spent during the year (including out of previous year shortfall) in cash on :		
	(i) construction / acquisition of any asset	-	3.01
	(ii) on purposes other than (i) above	**7.68**	0.80
(D)	Total amount unspent (shortfall at the end of the year) [A+B-C]	**3.59**	3.89
(E)	Total of previous year shortfall included in (D) above	**1.16**	1.97

An amount of Rs. 3.59 million (31 March 2025: Rs. 3.89 million) remained unspent as at end of the year due to phase wise implementation of CSR activities by the Company.

42 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of borrowings, lease liablities, derivative instruments and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, current investments, cash and cash equivalents and other financial assets that are derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

(A) Market risks

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risks include loans and borrowings, derivative instruments, current investments and trade receivables.

(i) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Particulars	31 March 2026			31 March 2025		
	Weighted average interest rate	**Balance (Rs. millions)**	**% of total loans**	Weighted average interest rate	Balance (Rs. millions)	% of total loans
Term loans from banks	**7.52%**	**1,182.95**	**66%**	8.32%	1,407.44	64%
Working capital loans from banks	**3.19%**	**619.89**	**34%**	4.44%	692.00	31%

(All amounts are in Indian Rupees millions, unless otherwise stated)

Sensitivity

Profit is sensitive to higher/lower interest expense from borrowings as a result of change interest rates

Impact on profit after tax	**31 March 2026**	31 March 2025
Interest rates - increase by 50 basis points *	**(9.01)**	(10.50)
Interest rates - decrease by 50 basis points *	**9.01**	10.50

* Holding all other variables constant, figures in brackets indicate decrease in profits.

(ii) Foreign currency risks

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and derivative instruments. The Company does not hedge its foreign currency exposures, other than cash flow hedge.

The Company's management frequently monitors the trade receivables in foreign currency on a regular basis. The credit period extended to the foreign customers is restricted to not more than 180 days, thus ensuring that the exchange rate fluctuations does not materially affect the cash inflows in functional currency (Rs.).

The Company's exposure to the foreign currency risks are as follows :

Particulars	**Currency**	**31 March 2026**		31 March 2025	
		Amount in foreign currency	**Amount in Rs. million**	Amount in foreign currency	Amount in Rs. million
Financial assets					
Trade receivables	USD	**14.25**	**1,348.73**	11.66	997.88
	EURO	**4.66**	**508.10**	7.09	654.58
Financial liabilities					
Borrowings	USD	**(4.28)**	**(405.12)**	(5.39)	(460.98)
	EURO	**(1.81)**	**(197.30)**	(2.50)	(231.02)
Trade payables	USD	**(0.15)**	**(14.20)**	(0.00)*	(0.03)
	EURO	**(0.00)***	**0.40**	-	-
Lease liabilities	USD	**(0.12)**	**(11.64)**	(0.18)	(15.12)
Net exposure to foreign currency risks	USD	**9.70**	**917.77**	6.09	521.75
	EURO	**2.85**	**311.20**	4.59	423.56

*Amount below 0.01 million

(All amounts are in Indian Rupees millions, unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	31 March 2026		31 March 2025	
		Impact on profit		Impact on profit	
		Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Net exposure to foreign currency risks	USD	**45.89**	**(45.89)**	26.09	(26.09)
	EURO	**15.56**	**(15.56)**	21.18	(21.18)

Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments . The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors.

Cash flow hedges

To effectively manage the foreign currency risk, the Company has entered into foreign exchange forward contracts that are measured at fair value through OCI (i.e) forward contracts are designated as hedging instruments in cash flow hedges against highly probable forecast sales transactons in USD and EURO.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

Particulars	31 March 2026		31 March 2025	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	**-**	**131.06**	-	1.90

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit and loss. Amounts of outstanding forward contracts are as follows:

Nature of instrument	Purpose	Currency	31 March 2026		31 March 2025	
			Foreign currency in million*	In Rs. million*	Foreign currency in million*	In Rs. million*
Forward Contracts	Hedging of highly probable forecast sales	USD	**7.44**	**662.16**	18.00	1,560.66
		EURO	**7.08**	**711.98**	16.58	1,586.48

*Amount in Rs. and foreign currency represents the notional amount of forward contracts purchased.

The cash flow hedges of the expected future sales as of 31 March 2026 had a net unrealised loss of Rs. 131.06 millions (31 March 2025: unrealised loss of Rs. 1.90 millions), with a deferred tax asset of Rs. 32.98 millions (31 March 2025: deferred tax liability of Rs. 0.48 millions) relating to the hedging instruments and is included in other comprehensive income.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(B) Credit risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), investing activities and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. At 31 March 2026, receivable from Company's top 5 customers accounted for approximately 45.12 % (31 March 2025 : 37.94 %) of all the receivable outstanding. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Deposits with banks and other financial assets

Credit risk from balances with banks and other financial assets is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2026 and 31 March 2025 is the carrying amounts as illustrated in the respective notes.

(C) Liquidity risks

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2026 and 31 March 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(All amounts are in Indian Rupees millions, unless otherwise stated)

The table below summarises the maturity profile of the Company's financial liabilities

Particulars	Less than 1 year	1 - 5 Years	More than 5 years	Total
31 March 2026				
Borrowings	**1,014.56**	**788.28**	**-**	**1,802.84**
Lease liabilities	**27.25**	**53.77**	**1.55**	**82.56**
Trade payables	**1,274.69**	**-**	**-**	**1,274.69**
Derivative instruments	**131.06**	**-**	**-**	**131.06**
Total	**2,447.56**	**842.05**	**1.55**	**3,291.15**
31 March 2025				
Borrowings	1,050.33	1,163.16	-	2,213.49
Lease liabilities	21.52	61.60	9.28	92.40
Trade payables	1,666.59	-	-	1,666.59
Derivative instruments	1.90	-	-	1.90
Total	2,740.34	1,224.76	9.28	3,974.38

43 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has adopted the objectives, policies or processes of Bharat Forge Limited (the ultimate holding company) for managing capital during the year ended 31 March 2026 and 31 March 2025.

Particulars	31 March 2026	31 March 2025
Equity share capital	**47.73**	45.92
Instruments entirely equity in nature	**142.58**	-
Other equity	**5,766.07**	2,271.70
Total equity	**5,956.38**	2,317.62
Debt	**1,802.84**	2,213.49
Total debt	**1,802.84**	2,213.49
Net debt to equity ratio	**0.30**	0.96

(All amounts are in Indian Rupees millions, unless otherwise stated)

44 FAIR VALUE MEASUREMENT

A Financial instruments by category

The financial instruments are measured at Amortised cost, Fair Value through Profit and Loss ("FVTPL") and Fair Value through Other Comprehensive Income ("FVOCI"). Below table summarises the financial instruments that are measures at FVOCI and amoritsed cost :

S.N.	Particulars	31 March 2026			31 March 2025		
		FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost
Financial assets							
(a)	Non current investment	**-**	**115.91**	**-**	-	13.01	-
(b)	Trade receivables	**-**	**-**	**2,838.84**	-	-	2,495.55
(c)	Current investments	**330.20**	**-**	**-**	-	-	-
(d)	Cash and cash equivalents	**-**	**-**	**844.37**	-	-	25.46
(e)	Other bank balances	**-**	**-**	**1,021.16**	-	-	1.97
(f)	Other financial assets	**-**	**-**	**160.05**	-	-	130.93
Total financial assets		**330.20**	**115.91**	**4,864.42**	-	13.01	2,653.91
Financial liabilities							
(a)	Borrowings	**-**	**-**	**1,802.84**	-	-	2,213.49
(b)	Lease liabilities	**-**	**-**	**82.56**	-	-	92.40
(c)	Derivative instruments	**-**	**131.06**	**-**	-	1.90	-
(d)	Trade payables	**-**	**-**	**1,274.69**	-	-	1,666.59
Total financial liabilities		**-**	**131.06**	**3,160.09**	-	1.90	3,972.48

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. 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 prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Total financial assets				
31 March 2026	**330.20**	**115.91**	**-**	**446.11**
31 March 2025	-	13.01	-	13.01
Total financial liabilities				
31 March 2026	**131.06**	**-**	**-**	**131.06**
31 March 2025	1.90	-	-	1.90

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(All amounts are in Indian Rupees millions, unless otherwise stated)

ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, non-current investments, cash and cash equivalents, lease liabilities, trade payables, Long term borrowings, short term borrowings and all other financial assets and liabilities are considered to be the same as their fair values.

iii) Valuation technique used to determine fair value

Fair value of forward contracts outstanding as at the balance sheet date is determined using marked to market valuation received from bank. Further the fair values of current investments typically in mutual funds are valued at the NAV declared by the respective mutual fund house.

45 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

(a) Title deeds of immovable property not held in name of the Company

The title deeds of all immovable properties (other than those properties where the Company is the lessee and the lease agreements are executed in favour of the lessee) are held in the name of the Company.

(b) Valuation of Property, plant and equipments, intangible assets and investment properties.

The Company has not revalued its property, plant and equipments and intangible assets during the current or previous financial year. The Company does not hold any investment property.

(c) Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

(d) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Reconciliation of returns or statements submitted with banks or financial institution

The Company has availed borrowings from banks on the basis of security of current assets. The periodical statements of current assets filed by the Company with such banks are in agreement with books of accounts of the Company.

(f) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lenders.

(g) Relationship with struck off Companies

The Company has no transactions with companies struck off under the Companies Act, 2013 or the Companies Act, 1956.

(h) Registration of charges or satisfaction with Registrar of Companies

The Company has registered all creation and satisfaction of charges with the Registrar of Companies during the current and previous financial year.

(i) Compliance with number of layers of companies

The Company does not have any subsidiaries, accordingly the requirements related to the layers of subsidiary prescribed under the Act is not applicable to the Company.

(All amounts are in Indian Rupees millions, unless otherwise stated)

(j) Accounting ratios

S.N.	Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a)	Current ratio	**2.39**	1.22	96%	Refer note (i)
(b)	Debt-Equity ratio	**0.30**	0.96	-68%	Refer note (i)
(c)	Debt Service Coverage ratio	**0.53**	0.40	32%	Refer note (i)
(d)	Return on equity ratio	**0.12**	0.24	-49%	Refer note (i)
(e)	Inventory turnover ratio	**2.69**	3.15	-15%	NA*
(f)	Trade receivables turnover ratio	**2.84**	3.51	-19%	NA*
(g)	Trade payables turnover ratio	**3.95**	4.19	-6%	NA*
(h)	Net Capital turnover ratio	**3.50**	13.84	-75%	Refer note (i)
(i)	Net Profit ratio	**0.07**	0.07	-2%	NA*
(j)	Return on Capital employed ratio	**0.11**	0.18	-40%	Refer note (i)
(k)	Return on investment ratio	**0.07**	0.10	-38%	Refer note (i)

NA* - variance in ratio is not more than 25%, accordingly no explanation for variance is detailed out.

Accounting Ratios formulas :

(a) Current Ratio = Current Assets / Current liabilities

(b) Debt-Equity Ratio = Total Debt / Total equity

(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

(d) Return on Equity Ratio = Profit for the year / Average equity

(e) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

(f) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables

(g) Trade payables turnover ratio = (Purchases + Other expenses) / Average Trade payables

(h) Net capital turnover ratio = Revenue from operations / Average Working Capital (Current assets - current liabilities)

(i) Net profit ratio = Profit for the year / Revenue from operations

(j) Return on Capital employed = EBIT / (Tangible networth +Total debt)

(k) Return on investment = Profit for the year / (Debt + Total equity)

Ratios explanation :

(i) The Company has raised Rs. 3,000.00 millions from PI Opportunities Fund I Scheme II by way of issue of Compulsorily Convertible Preference shares. Out of above, Rs. 1,860.00 million and Rs. 330.20 million are invested in fixed deposits and mutual funds as at 31 March 2026. This has impacted the Company's working capital position and consequently the aforesaid accounting ratios.

(k) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(l) Utilisation of borrowed funds and share premium

The Company has not advanced or granted any loan or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(All amounts are in Indian Rupees millions, unless otherwise stated)

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(m) Undisclosed income

There is no income surrendered or disclosed as income, which is not recorded in books of accounts during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(n) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

46 PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

As per our report of even date
For **ANRK & Associates LLP**
Chartered Accountants
Firm Registration Number: W-100001

Rahul Khasnis
Partner
Membership Number: 107739
Place: Pune
Date: 27 April 2026
UDIN: 26107739JJPGML8746

For and on behalf of the Board of Directors of
J S Auto Cast Foundry India Private Limited

Rajhagopalan Sudharssanam
Director
DIN: 09657337
Place: Pune
Date: 27 April 2026

Sumeet Banga
Director
DIN: 07472953
Place: Pune
Date: 27 April 2026

Chandramohan Madhan
Chief Financial Officer
Place: Coimbatore
Date: 27 April 2026

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K Drive Mobility Solutions Private Limited

Registered Office

Gat No. 787 & 788, Village Hunga, Taluka Parner, Ahmednagar, 414 301

Independent Auditor's Report

To the Members of
K Drive Mobility Solutions Private Limited (formerly known as "AAM India Manufacturing Corporation Private Limited")

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of K Drive Mobility Solutions Private Limited (formerly known as "AAM India Manufacturing Corporation Private Limited") ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts.

      iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

      iv. 1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other

sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.

v. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act.

vi. The Company has neither declared nor paid any dividend during the year.

vii. Based on our examination,

1. In regard to accounting software: The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

2. In regard to payroll software managed by third party vendor: The Company has used an accounting software for maintaining/ processing its payroll records, which is managed and maintained by a third-party software service provider. However, in absence of sufficient and appropriate audit evidence in the Service Auditors Assurance Report, we are unable to comment whether the accounting software has a feature of recording audit trail (edit log) facility and whether the same has operated throughout the year for all relevant transactions recorded in the software or whether there is any instance of audit trail feature being tampered with. Further, we are also unable to comment as to whether the audit trail has been preserved as per the statutory requirements for record retention, in absence of an independent auditors' report.

For **M S K A & Associates LLP** (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No. 061083
UDIN: 26061083BVSNUY9405

Place: Pune
Date: May 06, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF K DRIVE MOBILITY SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS "AAM INDIA MANUFACTURING CORPORATION PRIVATE LIMITED") FOR THE YEAR ENDED MARCH 31, 2026

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **M S K A & Associates LLP** (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No. 061083
UDIN: 26061083BVSNUY9405

Place: Pune
Date: May 06, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF K DRIVE MOBILITY SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS "AAM INDIA MANUFACTURING CORPORATION PRIVATE LIMITED") FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

(i) (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme, designed to cover all items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the requirement to report under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the requirement to report under clause 3(i)(e) of the Order are not applicable to the Company.

(ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) During any point of time of the year, the Company has not been sanctioned any working capital limits on the basis of security of current assets. Accordingly, the requirement to report under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report under clause 3(iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act, and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other statutory dues have generally been regularly deposited with the appropriate authorities during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, statutory dues as referred to in sub-clause vii(a) above, which have not been deposited as on March 31, 2026 on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount Demanded INR (in lakhs)	Amount Paid in protest (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax, 2017	Various GST related demands	61.16	-	July 2017 to March 2023	Appellate Authority – Commissioner of Central/ State GST (Appeals)
Goods and Services Tax, 2017	Various GST related demands	6,537.09	-	FY 2019 – 2022, FY 2025-26	Deputy Commissioner of Central Tax (Adjudicating Authority)
Goods and Services Tax, 2017	Various GST related demands	14.42	-	FY 2021-22	Goods and Services Tax Appellate Tribunal (GSTAT)

(viii) According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report under clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the requirement to report under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the requirements to report stated under clause 3(x)(b) of the Order are not applicable to the Company.

(xi) (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the requirement to report under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the company is private company, and hence, the provision of section 177 of the Act are not applicable to the company, transactions with the related parties are in compliance with and 188 of the Act, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date of our audit report, for the period under audit.

(xv) According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the requirement to report under clause 3 (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report under clause 3(xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 37 to the financial statement), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act, as disclosed in Note 36 to the financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Companies Act, 2013 as explained in Note 36 to the financial statements.

(xxi) According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates LLP** (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No. 061083
UDIN: 26061083BVSNUY9405

Place: Pune
Date: May 06, 2026

Annexure C to the Independent Auditor's Report of even date on the Financial Statements of K Drive Mobility Solutions Private Limited (Formerly Known As "Aam India Manufacturing Corporation Private Limited")

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of K Drive Mobility Solutions Private Limited on the Financial Statements for the year ended March 31, 2026]

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls with reference to financial statements of K Drive Mobility Solutions Private Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates LLP** (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No. 061083
UDIN: 26061083BVSNUY9405

Place: Pune
Date: May 06, 2026

Balance Sheet

as at March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5(a)	19,338.44	20,866.36
(b) Capital work-in-progress	5(b)	4,861.52	201.68
(c) Right-of-use assets	5(c)	1,458.65	1,318.03
(d) Intangible assets	6(a)	45.36	26.07
(e) Intangible assets under development	6(b)	1,060.48	-
(f) Other financial assets	7	210.85	211.89
(g) Income tax assets (net)	8(a)	443.67	460.70
(h) Deferred tax asset (net)	8(b)	-	70.77
(i) Other non-current assets	9	2,826.31	503.69
Total non-current assets		**30,245.28**	**23,659.19**
2 Current assets			
(a) Inventories	10	9,971.98	12,239.90
(b) Financial assets			
(i) Investments	11	-	0.80
(ii) Trade receivables	12	30,327.41	30,451.08
(iii) Cash and cash equivalents	13	1,166.42	14,910.95
(iv) Other financial assets	7	15,291.91	-
(c) Other current assets	9	882.18	638.87
Total current assets		**57,639.90**	**58,241.60**
Total assets		**87,885.18**	**81,900.79**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	52,714.00	52,714.00
(b) Other equity	15	1,476.80	(2,431.34)
Total equity		**54,190.80**	**50,282.66**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	5(c)	497.99	317.68
(b) Provisions	16	1,102.17	1,077.44
(c) Deferred tax liability (net)	8(b)	257.93	-
Total non-current liabilities		**1,858.09**	**1,395.12**
3 Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	5(c)	206.42	273.33
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	17	1,034.15	239.06
(b) total outstanding dues of creditors other than micro enterprise and small enterprise	17	27,508.60	26,739.42
(iii) Other financial liabilities	18	2,211.68	592.78
(b) Other current liabilities	19	299.23	1,154.57
(c) Provisions	16	576.21	1,223.85
(d) Current tax liabilities (net)	20	-	-
Total current liabilities		**31,836.29**	**30,223.01**
Total equity and liabilities		**87,885.18**	**81,900.79**
Summary of material accounting policies	1-4		

The accompanying notes are an integral part of the financial statements.
As per our report of even date
For M S K A & Associates LLP (formerly known as M S K A & Associates)
Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No: 061083
Date: May 06, 2026
Place: Pune
UDIN: 26061083BVSNUY9405

For and on behalf of the Board of Directors
K Drive Mobility Solutions Private Limited Chartered

Vitthal Kulkarni
Director
DIN: 09278241
Date: May 06, 2026
Place: Pune

Krishan Kohli
Director
DIN: 08644811
Date: May 06, 2026
Place: Pune

Shardul Deshpande
Chief Financial Officer

Date: May 06, 2026
Place: Pune

Pradeep Dhaundiyal
Company Secretary
Membership No: 27473
Date: May 06, 2026
Place: Pune

Statement of Profit and Loss

for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

Particulars		Notes	Year ended March 31, 2026	Year ended March 31, 2025
I	**Income**			
	Revenue from operations	21	135,384.88	134,879.00
	Other income	22	1,713.19	955.13
	Total income		**137,098.07**	**135,834.13**
II	**Expenses**			
	Cost of materials consumed	23	105,942.92	98,281.68
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	3,272.18	847.75
	Employee benefits expense	25	7,466.75	11,257.05
	Finance costs	26	54.42	86.97
	Depreciation and amortization expense	27	2,584.92	3,330.12
	Impairment/(reversal of impairment) of non-current assets	5(a)	-	(521.44)
	Other expenses	28	12,369.20	11,974.92
	Total expenses		**131,690.39**	**125,257.05**
	Profit before exceptional items and tax		**5,407.68**	**10,577.08**
	Exceptional item	29	**181.19**	**-**
III	**Profit before tax**		**5,226.49**	**10,577.08**
IV	**Tax expense**			
	Current tax		984.34	2,680.41
	Deferred tax		330.03	12.50
	Total income tax expense		**1,314.37**	**2,692.91**
V	**Profit for the year**		**3,912.12**	**7,884.17**

(Amount in INR lakhs, unless otherwise stated)

Particulars		Notes	Year ended March 31, 2026	Year ended March 31, 2025
VI	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified subsequently to statement of profit and loss			
	Remeasurement (gains)/Losses on defined benefit obligations		5.32	83.17
	Income tax relating to above		(1.34)	(20.93)
	Total other comprehensive income (net of taxes)		**3.98**	**62.24**
	Total comprehensive income for the year		**3,908.14**	**7,821.93**
VII	**Earnings per equity share (Basic and Diluted) (INR)**	32	0.74	1.50
	(Nominal value per share INR 10)			
	Summary of material accounting policies	1-4		

The accompanying notes are an integral part of the financial statements.
As per our report of even date
For M S K A & Associates LLP (formerly known as M S K A & Associates)
Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No: 061083
Date: May 06, 2026
Place: Pune
UDIN: 26061083BVSNUY9405

For and on behalf of the Board of Directors
K Drive Mobility Solutions Private Limited Chartered

Vitthal Kulkarni
Director
DIN: 09278241
Date: May 06, 2026
Place: Pune

Krishan Kohli
Director
DIN: 08644811
Date: May 06, 2026
Place: Pune

Shardul Deshpande
Chief Financial Officer

Date: May 06, 2026
Place: Pune

Pradeep Dhaundiyal
Company Secretary
Membership No: 27473
Date: May 06, 2026
Place: Pune

Cash Flow Statement

for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

	Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
A	**Cash flow from operating activities**		
	Profit before tax	5,226.49	10,577.08
	Adjustments for:		
	Depreciation and amortisation expense	2,584.92	3,330.12
	Impairment/(reversal of impairment) of non-current assets	-	(521.44)
	Foreign exchange (gain)/loss	(46.66)	19.52
	Net (gain) / loss on disposal of property, plant and equipment	(32.62)	455.11
	Interest expense	50.30	70.44
	Provision for doubtful debt	15.76	13.48
	Unwinding of discount on provisions	4.12	16.53
	Interest income	(560.58)	(443.29)
	Fair value gain on mutual funds	(307.28)	-
	Investment written off	0.80	-
	Gain on termination of Lease	(83.62)	-
	Interest Income on financial assets at amortised cost	(12.47)	(13.32)
	Operating profit before working capital changes	**6,839.16**	**13,504.23**
	Adjustments for changes in working capital		
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Inventories	2,267.92	2,277.40
	Trade receivables	157.03	3,874.75
	Other current assets	(244.12)	506.87
	Other financial assets - non current	13.51	(5.71)
	Other non current assets	(4.10)	53.46
	Adjustments for increase/ (decrease) in operating liabilities:		
	Trade payables	1,561.81	(1,721.96)
	Other current liabilities	(855.34)	148.40
	Other financial liabilities	450.04	260.51
	Short-term provisions	(651.76)	120.36
	Long-term provisions	21.72	98.42
	Cash generated from operations	**9,555.87**	**19,116.73**
	Net Income tax refunds/(paid)	(934.07)	(3,747.03)
	Net cash flow from operating activities	**8,621.80**	**15,369.70**
B	**Cash flow from investing activities**		
	Payments for property, plant & equipment and capital work in progress	(8,358.93)	(1,369.31)
	Redemption/ maturity of bank deposits	92,000.00	165,700.00
	Investments in bank deposits	(92,000.00)	(165,700.00)
	Investment in term deposits with NBFCs	(15,000.00)	-
	Proceeds from sale of property, plant & equipment	583.64	52.95
	Net proceeds from mutual fund	307.28	
	Interest received	236.24	443.29
	Net cash flow (used in) investing activities	**(22,231.77)**	**(873.07)**

(Amount in INR lakhs, unless otherwise stated)

	Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
	Principal element of lease payments	(87.88)	(230.52)
	Interest element of lease payments	(50.30)	(66.13)
	Net cash flow (used in) financing activities	**(138.18)**	**(300.97)**
D	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**(13,748.15)**	**14,195.66**
	Cash and cash equivalents at the beginning of the year	14,910.95	715.29
	Cash and cash equivalents at the end of the year	1,162.80	14,910.95
	Notes :		
	1) All figures in brackets are outflows		
	2) Cash and cash equivalents at the end of year comprise of :		
	Balances with banks- In current accounts	1,166.42	14,910.95
	Bank overdraft	(3.62)	-
	Cash & cash equivalents (net)	**1,162.80**	**14,910.95**
	Changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes:		
	Lease liabilities:		
	Liabilities at the beginning of the year including accrued interest	**591.01**	**821.53**
	Cash flow movement		
	Principal repayments	(60.80)	(230.52)
	Interest paid	(50.30)	(66.13)
	Non Cash flow movement		
	New leases recognised	706.93	-
	Termination of Lease	(532.73)	-
	Interest expense	50.30	66.13
	Liabilities at the end of the year including accrued interest	**704.41**	**591.01**
	Summary of material accounting policies	1-4	

The accompanying notes are an integral part of the financial statements.
As per our report of even date
For M S K A & Associates LLP (formerly known as M S K A & Associates)
Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No: 061083
Date: May 06, 2026
Place: Pune
UDIN: 26061083BVSNUY9405

For and on behalf of the Board of Directors
K Drive Mobility Solutions Private Limited Chartered

Vitthal Kulkarni
Director
DIN: 09278241
Date: May 06, 2026
Place: Pune

Krishan Kohli
Director
DIN: 08644811
Date: May 06, 2026
Place: Pune

Shardul Deshpande
Chief Financial Officer

Date: May 06, 2026
Place: Pune

Pradeep Dhaundiyal
Company Secretary
Membership No: 27473
Date: May 06, 2026
Place: Pune

Statement of Changes in Equity

for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	**52,714.00**	**52,714.00**
Changes in equity share capital	-	-
Balance as at the end of the year	**52,714.00**	**52,714.00**

(b) Other equity

Particulars	Capital reserve	Share based payment reserve	Retained earnings	Total
Balance as at April 1, 2024	30.00	-	(10,283.27)	**(10,253.27)**
Profit for the year	-	-	7,884.17	**7,884.17**
Other comprehensive income:				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(62.24)	**(62.24)**
As at March 31, 2025	**30.00**	**-**	**(2,461.34)**	**(2,431.34)**
As at April 1, 2025	30.00	-	(2,461.34)	**(2,431.34)**
Profit for the year	-	-	3,912.12	**3,912.12**
Other comprehensive income:				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(3.98)	**(3.98)**
As at March 31, 2026	**30.00**	**-**	**1,446.80**	**1,476.80**

Summary of material accounting policies 1-4

The accompanying notes are an integral part of the financial statements.
As per our report of even date
For M S K A & Associates LLP (formerly known as M S K A & Associates)
Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No: 061083
Date: May 06, 2026
Place: Pune
UDIN: 26061083BVSNUY9405

For and on behalf of the Board of Directors
K Drive Mobility Solutions Private Limited Chartered

Vitthal Kulkarni
Director
DIN: 09278241
Date: May 06, 2026
Place: Pune

Krishan Kohli
Director
DIN: 08644811
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Chief Financial Officer

Date: May 06, 2026
Place: Pune

Pradeep Dhaundiyal
Company Secretary
Membership No: 27473
Date: May 06, 2026
Place: Pune

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(Amount in INR lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

K Drive Mobility Solutions Limited (formerly known as "AAM India Manufacturing Corporation Private Limited") was incorporated on 14 March 2008, as a subsidiary of AAM International Holdings Inc. ('AAM Holdings') which in turn is a subsidiary of AAM USA (being the ultimate parent company).

The Company was acquired by Bharat Forge Limited effective July 01, 2025, and consequently renamed as K Drive Mobility Solutions Limited, vide new certificate of incorporation dated September 17, 2025.

The Company has its registered office at Ahmednagar, Maharashtra and manufacturing facilities at Pune and Chennai and is primarily engaged in manufacturing of automobile parts mainly axle assemblies, drivehead assemblies and components etc. for heavy commercial vehicles.

Till Jun 30, 2025, K Drive was also engaged in export of bought out components and rendering IT enabled drawing/ design engineering and IT support services.

The Company has two manufacturing facilities, the first plant is situated at Gat No.787 and 788, Village Hunga, Taluka Parner, Ahmednagar-414301 & the second plant is situated at Plot No. 62, Eighth Avenue, First Cross Road, Mahindra World City, Chengalpattu, District Kancheepuram near Chennai in Tamil Nadu.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The financial statements were authorized for issue by the Company's Board of Directors on May 06, 2026.

(b) Basis of measurement and presentation

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the following material items:

i) Certain financial assets and financial liabilities have been measured at fair values

ii) Defined benefit and other long term employee benefits

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and disclosure purpose in these financial statement is determined on such basis, except for share-based transactions that are within scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of

the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

(d) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

2.2 Material accounting policies

(a) Property, plant and equipment

Property plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Freehold land is not depreciated.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Particulars	Useful lives
Freehold Land (improvement)	15 Years
Buildings	15-40 years
Plant & equipments	12 years
Tools	3-6 years
Computers and peripherals	3 years
Vehicles	5 years
Furniture and Fixtures	10 years
Office Equipments	10 years
Computer Software	3 years
Software licenses	5 years

Certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'/Other expense.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

(b) Impairment of tangible and intangible assets other than goodwill

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(c) Leases and Right-of-use assets

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;

- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

(d) Inventories

Inventories are valued as follows:

Until the previous financial year, the Company valued its inventories using the First In, First Out (FIFO) method. During the current financial year, the Company has changed its method of inventory valuation to the Weighted Average Cost (WAC) method. The change in accounting policy has been made in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The change has been applied prospectively, and the impact of the change on the financial statements for the current financial year is not material.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

(e) Revenue from contract with customers

Revenue is recognized at an amount that reflects the consideration to which the Company expects to

be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and discounts.

(i) Sale of goods

Revenue from sale of goods is recognized when control of the goods have been transferred to the customer.

The Company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Rendering of services

Revenue from design engineering and IT enabled services, is recognised in accordance with terms and conditions of service agreements with the customer.

Variable consideration:

If the consideration in a contract includes a variable amount (like price escalations), the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future price escalations etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to render services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company renders 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.

(f) Foreign currency transactions

i) Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs).

ii) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

iii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(g) Employee benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance., are recognised as expenses in the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions.

The Company also provides for post-employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at every year end using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an contractual right to defer its settlement for 12 months after the reporting date.

(h) Income tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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 assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(i) Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

(j) Financial instruments

(I) Non derivative financial instruments consist of:

Financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, investments in equity and eligible current and noncurrent assets; and

Financial liabilities, which include borrowings, trade payables and eligible current and noncurrent liabilities.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

(i) Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal. For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current financial liabilities

(ii) Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable

payments that are not quoted in an active market. These comprise trade receivables, unbilled receivables, employee and other advances and eligible current and noncurrent assets. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables and unbilled receivables that do not contain a significant financing component are measured at the Transaction Price

(iii) Trade payables and other financial liabilities

Trade payables and other liabilities are initially recognised at transaction price, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(II) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(III) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(k) Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items: Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment

Segment policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(Amount in INR lakhs, unless otherwise stated)

NOTE 3 : CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

In the preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions, judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2026 are as below:

1. Expected credit loss on doubtful receivables

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2. Provision for product warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically in the range of 12 months to 36 months.

3. Useful lives of property, plant and equipment

In case of Property, plant and equipment, The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4. Employee benefits

The cost of the employee benefits such as gratuity and leave encashment 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

5. Valuation for Property, Plant and Equipment and Labour force

The valuation of Property, Plant & Equipment (PPE) and Labour Force for purpose of transfer to any other entity involves management's judgements and estimates, including useful lives, residual values, depreciation methods, replacement costs, market prices of PPE etc. Labour Force related estimates include recruitment and training costs, productive training days, employee turnover, inefficiencies, prevailing market salary rates etc. These assumptions are based on historical experience, current conditions, and expected future developments.

NOTE 4 : CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

4.1 New standards and amendments issued but not effective

The Ministry of corporate Affairs ("MCA") notified amendments on May 07, 2025 and August 13, 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025

- **Amendment to Ind AS 21 - Lack of exchangeability**

  The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the Company.

- **Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants**

  The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

  a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

  b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

  c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

  These amendments have no effect on the measurement of any items in the financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

- **Amendment to Ind AS 12 – Pillar-Two Tax Reforms**

  The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

- **Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement**

  The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The Company does not have any supplier finance arrangements during the reporting period

4.2 Standard issued but not yet effective

- **Amendment to Ind AS 1 'Presentation of Financial Statements'**

  Classification of Liabilities as current or non-current and non-current liabilities with covenants

  The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

As the Company does not have any long term borrowings, this amendment is not expected to have any material impact on the financial statements.

(Amount in INR lakhs, unless otherwise stated)

NOTE 5 : (A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Furniture and fixtures	Plant and equipment	Office Equipment	Computer and peripherals	Total
As at March 31, 2026							
Gross carrying amount							
Cost as at April 1, 2025	894.21	10,969.73	465.14	35,384.64	51.83	2,297.16	**50,062.71**
Additions	602.62	172.53	333.63	120.18	-	198.01	**1,426.97**
Disposals	-	-	(93.53)	(808.59)	-	(1,957.34)	**(2,859.46)**
Closing gross carrying amount	**1,496.83**	**11,142.26**	**705.24**	**34,696.23**	**51.83**	**537.83**	**48,630.22**
Accumulated depreciation							
Balance as at April 1, 2025	-	3,325.37	402.21	23,741.03	27.57	1,188.33	**28,684.51**
Depreciation charge during the year	-	285.90	15.59	1,863.98	2.76	248.65	**2,416.88**
Disposals	-	-	(41.33)	(885.97)	-	(1,394.15)	**(2,321.45)**
Closing accumulated depreciation	**-**	**3,611.27**	**376.47**	**24,719.04**	**30.33**	**42.83**	**28,779.94**
Impairment loss							
Balance as at April 01, 2025	-	-	-	511.84	-	-	**511.84**
Closing Impairment loss provision	**-**	**-**	**-**	**511.84**	**-**	**-**	**511.84**
Net carrying amount	**1,496.83**	**7,530.99**	**328.77**	**9,465.35**	**21.50**	**495.00**	**19,338.44**

Particulars	Freehold Land	Buildings	Furniture and fixtures	Plant and equipment	Office Equipment	Computer and peripherals	Total
As at March 31, 2025							
Gross carrying amount							
Cost as at April 01, 2024	894.21	10,850.04	552.28	35,618.77	68.67	2,332.89	**50,316.86**
Additions	-	120.42	2.92	716.64	-	263.27	**1,103.25**
Disposals	-	(0.73)	(90.06)	(950.77)	(16.84)	(299.00)	**(1,357.40)**
Closing gross carrying amount	**894.21**	**10,969.73**	**465.14**	**35,384.64**	**51.83**	**2,297.16**	**50,062.71**
Accumulated depreciation							
Balance as at April 01, 2024	-	2,993.43	477.16	21,949.73	37.34	1,018.23	**26,475.89**
Depreciation charge during the year	-	332.14	15.11	2,257.55	7.07	446.09	**3,057.96**
Disposals	-	(0.20)	(90.06)	(466.25)	(16.84)	(275.99)	**(849.34)**
Closing accumulated depreciation	**-**	**3,325.37**	**402.21**	**23,741.03**	**27.57**	**1,188.33**	**28,684.51**
Impairment loss				1,033.28			**1,033.28**
Charge during the year	-	-	-	(521.44)	-	-	**(521.44)**
Closing Impairment loss provision	**-**	**-**	**-**	**511.84**	**-**	**-**	**511.84**
Net carrying amount	**894.21**	**7,644.36**	**62.93**	**11,131.77**	**24.26**	**1,108.83**	**20,866.36**

Note:

(i) The company has not taken any assets under finance lease and has not given any asset on operating lease.

(ii) Refer to note 34(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Note on Impairment:

The Company has recognized impairment loss of INR 1,033.28 lakhs in earlier years on the property, plant and equipment (PPE) which were purchased and used specifically for certain specific program and has later been discontinued by the respective customers.

Further, during the previous year, The Company has sold some impaired assets having net book value of INR 521.44 lakhs resulting in reversal of impairment loss in previous years.

(Amount in INR lakhs, unless otherwise stated)

NOTE 5 (B) : CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Opening	201.68	479.64
Add: Additions	6,132.11	825.29
(Less): Capitalisation	(1,472.27)	(1,103.25)
Closing	**4,861.52**	**201.68**

(i) For Capital-work-in progress ageing schedule

March 31, 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,704.64	59.04	97.84	-	4,861.52
Projects temporarily suspended	-	-	-	-	-

March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	104.34	97.34	-	-	201.68
Projects temporarily suspended	-	-	-	-	-

(ii) In case of the following projects (CWIP), completion is overdue or has exceeded its cost compared to its original plan:

March 31, 2026

CWIP of 156.88 lakhs has exceeded from its estimated date of capitalisation due to delay in projects compared to its original plan.

March 31, 2025

There are no CWIP where completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2025.

(Amount in INR lakhs, unless otherwise stated)

NOTE 5 (C) : LEASES

The note provides information for leases where Company is a lessee. The Company has leased land, building & vehicles. Rental contracts other than for leasehold land are made for period of 3 to 5 years. Contracts of Leasehold Land are made for 99 years.

(i) Amounts recognized in the Balance Sheet

The balance sheet shows following amounts relating to leases:

Particulars	Leasehold land	Buildings	Vehicles	Total
Right-of-use assets: Gross block:				
As at April 1, 2025	**910.81**	**1,040.55**	**118.24**	**2,069.60**
Add: Additions	-	768.24	-	**768.24**
Less: Deletions	-	(1,040.55)	-	**(1,040.55)**
As at March 31, 2026	**910.81**	**768.24**	**118.24**	**1,797.29**
Accumulated Depreciation:				
As at April 1, 2025	**131.20**	**554.96**	**65.41**	**751.57**
Add: Charged during the year	9.66	102.43	29.94	142.03
Less: Deletion	-	(554.96)	-	(554.96)
As at March 31, 2026	**140.86**	**102.43**	**95.35**	**338.64**
Net Block as on March 31, 2026	**769.95**	**665.81**	**22.89**	**1,458.65**

Particulars	Leasehold land	Buildings	Vehicles	Total
Right-of-use assets: Gross block:				
As at April 1, 2024	**910.81**	1,040.55	118.24	**2,069.60**
Additions	-	**-**	**-**	**-**
As at March 31, 2025	**910.81**	**1,040.55**	**118.24**	**2,069.60**
Accumulated Depreciation:				
As at April 1, 2024	**122.02**	**346.85**	**35.22**	**504.09**
Add: During the year	9.18	208.11	30.19	247.48
As at March 31, 2025	**131.20**	**554.96**	**65.41**	**751.57**
Net Block as on March 31, 2025	**779.61**	**485.59**	**52.83**	**1,318.03**

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities:	**704.41**	**591.01**
Current	206.42	273.33
Non-Current	497.99	317.68

(Amount in INR lakhs, unless otherwise stated)

(ii) Amounts recognised in the profit & loss account

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation charge on right of use assets	**27**		
Leasehold land		9.66	9.18
Buildings		102.43	208.11
Vehicles		29.94	30.19
Total		**142.03**	**247.48**
Interest expense included in finance cost	**26**	50.30	66.12
Expense relating to short term leases (included in other expenses)	**28**	120.25	68.52

The total cash outflow for leases for the year ended March 31, 2026 amounts to INR 138.18 Lakhs (March 31, 2025: INR 296.65 Lakhs)

(i) Variable Lease Payments

Estimation uncertainty arising from variable lease payments

There were no leases with variable lease payments.

(ii) Extension and termination options

The extension options held are exercisable on a mutual consideration between lessor and the Company. Extension options are not considered in determining the lease term. These terms are used to maximise operational flexibility in terms of managing contracts. The termination option are exercisable by the company except in case of breach of terms of contract in which the option to terminate the lease lies with the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(iii) Residual value guarantees

There were no leases with residual value guarantees.

(iv) The Company has used the following Practical Expedients

1. Applying single discount rate to a portfolio of leases with similar remaining lease term.

2. Using hindsight in determining the lease term where contract contains options to extend or terminate the lease.

(v) Other Disclosure Requirements

1. Maturity Analysis of lease liabilities [Refer Note 39(i)].

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated) Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

(Amount in INR lakhs, unless otherwise stated)

NOTE 6(A) : INTANGIBLE ASSETS

Particulars	Computer software
As at March 31, 2026	
Gross carrying amount	
Cost as at April 1, 2025	557.08
Additions	45.30
Disposals	-
Closing gross carrying amount	**602.38**
Accumulated Amortisation	
Balance as on April 1, 2025	531.01
Amortisation charge during the year	26.01
Disposals	-
Closing accumulated amortisation	**557.02**
Net carrying amount	**45.36**

Particulars	Computer software
As at March 31, 2025	
Gross carrying amount	
Cost as at April 1, 2024	584.19
Additions	-
Disposals	(27.11)
Closing gross carrying amount	**557.08**
Accumulated Amortisation	
Balance as on April 1, 2024	533.44
Amortisation charge during the year	24.68
Disposals	(27.11)
Closing accumulated amortisation	**531.01**
Net carrying amount	**26.07**

(Amount in INR lakhs, unless otherwise stated)

NOTE 6(B) : INTANGIBLE ASSET UNDER DEVELOPMENT

Particulars	Intangible asset under Development (IAUD)*
Balance as at 01 April 2025	-
Additions -Externally developed	1,060.48
Capitalised during the year	-
Balance as at 31 March 2026	**1,060.48**

*Intangible assets under development include licences of owned ERP (Oracle system) & Other Accounting, Manufacturing & Engineering softwares.

(i) Ageing Schedule

March 31, 2026					
Intangible asset under development	Amount in Intangible Asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,060.48	-	-	-	1,060.48
Projects temporarily suspended	-	-	-	-	-
Total	**1,060.48**	**-**	**-**	**-**	**1,060.48**

There are no IAUD where completion is overdue or has exceeded its cost compared to its original plan as at 31st March 2026.

There were no intangible assets under development as at March 31, 2025.

(ii) Contractual obligations

Refer Note 34(b) for details on contractual commitments for the development and acquiring intangible assets.

(Amount in INR lakhs, unless otherwise stated)

NOTE 7 : OTHERS FINANCIAL ASSETS

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
(Unsecured and considered good)				
Security deposits	-	210.85	-	211.89
Term deposit with Non-banking financial institution (NBFC)	15,291.91	-	-	-
Total other financial assets	**15,291.91**	**210.85**	**-**	**211.89**

NOTE 8 (A) : INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax (Net of provisions)	443.67	460.70
Total	**443.67**	**460.70**

NOTE 8(B) : DEFERRED TAX

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and Intangible assets	677.48	615.27
Others	174.36	147.76
Tax effect of items constituting deferred tax Liability	**851.84**	**763.03**
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	320.41	512.83
Provision for obsolete Inventory	49.90	113.73
Other	223.60	207.24
Tax effect of items constituting deferred tax asset	**593.91**	**833.80**
Net deferred tax (liability) / asset	**(257.93)**	**70.77**

(Amount in INR lakhs, unless otherwise stated)

Movement in Deferred tax liability / (asset) (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax (Liability) / Asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and Intangible assets	62.21	18.20
Others	26.60	(53.84)
Tax effect of items constituting deferred tax Liability	**88.81**	**(35.64)**
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	(192.42)	62.33
Provision for obsolete inventory	(63.83)	(73.27)
Others	16.37	(16.27)
Tax effect of items constituting deferred tax asset	**(239.88)**	**(27.21)**
Net deferred tax (charge) / credit (see note below)	**(328.69)**	**8.43**
Recognized in Other Comprehensive Income	1.34	20.93
Recognized in Statement of Profit and Loss	(330.03)	(12.50)
Total	**(328.69)**	**8.43**

NOTE 8(C) : THE RECONCILIATION OF INCOME TAX EXPENSE CALCULATED AS PER TAX RATES APPLICABLE WITH INCOME TAX EXPENSE IS AS FOLLOWS:

Particulars	March 31, 2026	March 31, 2025
Profit before tax	**5,226.49**	**10,577.08**
Income tax credit at tax rates applicable @25.168% (March 31, 2025- @25.168%)	**1,315.40**	**2,662.04**
Tax effects of:		
- Item not deductible for tax		
Permanent differences on account of expenses not deductible	57.56	31.44
- Others		
Income taxed at differential tax rates	(78.05)	-
Others	18.12	(21.50)
Income tax expense	**1,313.03**	**2,671.98**

(Amount in INR lakhs, unless otherwise stated)

NOTE 9 : OTHER ASSETS

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non- current	Current	Non- current
Capital advances	-	2,821.58	-	503.06
Balance with government authorities	480.74	-	47.27	-
Deposit under Appeal-GST	10.63	-	10.63	-
Prepaid expenses	156.77	4.73	450.97	0.63
Export incentive receivables	3.19	-	54.96	-
Advances to suppliers	230.85	-	75.04	-
	882.18	**2,826.31**	**638.87**	**503.69**

NOTE 10 : INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Raw materials	5,926.94	4,239.52
Goods in transit	69.91	1,029.66
(b) Work-in-progress	1,005.38	662.70
(c) Finished goods	1,067.95	1,255.65
Goods in transit	525.25	3,952.41
(d) Stores and spares	1,221.89	891.95
(e) Rebilliable tooling	154.66	208.01
	9,971.98	**12,239.90**

NOTE 11 : INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted		
Investment in Government securities - National Savings Certificate (Pledged with Government authorities)	-	0.80
Total investments	**-**	**0.80**
Aggregate amount of unquoted investments	**-**	**0.80**

Refer Note 39 for information about the Company's exposure to financial risk.

(Amount in INR lakhs, unless otherwise stated)

NOTE 12 : TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered good	30,327.41	30,451.08
Unsecured, Considered doubtful	29.24	13.48
Less : Expected credit loss allowance	(29.24)	(13.48)
Total trade receivable	**30,327.41**	**30,451.08**

Note:

The average credit period for sale of goods is 0-60 days and sale of services is 10-40 days. No interest charged on overdue receivables of trade receivables.

Further classified as:	As at March 31, 2026	As at March 31, 2025
Receivable from related parties [Note 31 (c)]	0.24	3,747.56
Receivable from others	30,327.17	26,703.52

March 31, 2026	Current							
Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	28,466.12	1,861.29	-	-	-	-	30,327.41
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	15.76	-	13.48	29.24
Less: Expected credit loss allowance	-	-	-	-	(15.76)	-	(13.48)	(29.24)
	-	**28,466.12**	**1,861.29**	**-**	**-**	**-**	**-**	**30,327.41**

March 31, 2025	Current							
Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	59.94	27,751.27	2,639.87	-	-	-	-	30,451.08
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	13.48	13.48
Less: Expected credit loss allowance	-	-	-	-	-	-	(13.48)	(13.48)
	59.94	**27,751.27**	**2,639.87**	**-**	**-**	**-**	**-**	**30,451.08**

(Amount in INR lakhs, unless otherwise stated)

NOTE 13 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- in current accounts	1,166.42	14,910.95
	1,166.42	**14,910.95**

NOTE 14 : SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
593,500,000 (Previous year 593,500,000) equity shares of INR 10 each with voting rights	59,350.00	59,350.00
	59,350.00	**59,350.00**
Issued, subscribed and fully paid up		
527,140,009 (Previous year 527,140,009) equity shares of INR 10 each fully paid with voting rights	52,714.00	52,714.00
Total	**52,714.00**	**52,714.00**

(a) Reconciliation of shares:

Movements in equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
Particulars	**Number of shares**	**Equity share capital (par value)**	**Number of shares**	**Equity share capital (par value)**
Balance as at the beginning and end of the year	527,140,009	52,714.00	527,140,009	52,714.00

(b) Details of shares held by Shareholders holding more than 5% of equity shares of the Company

Name of the shareholder	Number of shares held as on March 31, 2026	% holding	Number of shares held as on March 31, 2025	% holding
AAM International Holdings Inc., the Holding Company (upto June 30, 2025)	-	-	526,722,109	99.92%
Bharat Forge Limited, Holding company	527,140,009	100.00%	-	0.00%

(c) Shares held by holding Company/Ultimate holding company

Name of the shareholder	Number of shares held as on March 31, 2026	% holding	Number of shares held as on March 31, 2025	% holding
AAM International Holdings Inc., the Holding Company	-	-	526,722,109	99.92%
American Axle & Manufacturing, Inc	-	-	417,900	0.08%
Bharat Forge Limited, Holding company	527,140,009	100.00%	-	-

(Amount in INR lakhs, unless otherwise stated)

(d) Details of shares held by promoters at the end of the year

Name of the shareholder	Number of shares held as on March 31, 2026	% holding*	Number of shares held as on March 31, 2025	% holding*
AAM International Holdings Inc., the Holding Company	-	-	526,722,109	99.92%
American Axle & Manufacturing, Inc	-	-	417,900	0.08%
Bharat Forge Limited, Holding company	527,140,009	100%	-	-

*During the year ended March 31, 2026, AAM International Holdings Inc. & American Axle & Manufacturing ,Inc sold their entire shareholding to Bharat Forge Limited. There was no change in shareholding during the year ended March 31, 2025.

(e) Terms and rights attached to equity shares:

Equity Shares: The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE 15 : OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve		
Balance as at the beginning & end of the year	30.00	30.00
Retained earnings		
Balance as at the beginning of the year	(2,461.34)	(10,283.27)
Add: Profit for the year	3,912.12	7,884.17
Other comprehensive income arising from the remeasurement of defined benefit obligation net of tax	(3.98)	(62.24)
Balance as at the end of the year	**1,446.80**	**(2,461.34)**
Total other equity	**1,476.80**	**(2,431.34)**

NOTE 16 : PROVISIONS

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 35)				
Compensated absences	293.06	-	826.18	-
Gratuity	203.19	776.86	309.48	902.00
Provision for warranty	79.96	325.31	88.19	175.44
TOTAL	**576.21**	**1,102.17**	**1,223.85**	**1,077.44**

(Amount in INR lakhs, unless otherwise stated)

Details and movement of provision as required by the Accounting Standard on Provisions, Contingent Liabilities , Contingent Assets (Ind AS 37)

Particulars	Opening	Additions	Utilization / Reversal (withdrawn as no longer required	Unwinding of discount	Closing
Provision for warranty					
March 31, 2026	263.63	228.43	(82.67)	(4.12)	405.27
March 31, 2025	243.48	90.56	(53.88)	(16.53)	263.63

Brief description of the nature of obligation and the expected timing of any resulting outflows of economic benefits

Warranty: A provision is recognized for expected warranty claims on sale of goods. Based on past experience of the level of repairs and returns, it is expected that approximately INR 79.96 lakhs of these costs will be incurred in the next financial year and has not been discounted for the purpose of measuring the provisions.

NOTE 17 : TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro enterprises & small enterprises	1,034.15	239.06
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27,508.60	26,739.42
Total trade payable	**28,542.75**	**26,978.48**

The average credit period on the purchase of goods and services is 45-60 days. No interest charged by the vendors for the credit period. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Disclosure relating to suppliers registered under MSMED Act are given in note 33.

Trade payables ageing schedule

March 31, 2026	Current						
Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises & small enterprises	45.73	962.49	25.45	0.48	-	-	1,034.15
(ii) Others	804.75	23,128.66	3,566.95	-	-	8.24	27,508.60
	850.48	**24,091.15**	**3,592.40**	**0.48**	**-**	**8.24**	**28,542.75**

March 31, 2025	Current						
Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises & small enterprises	21.28	200.25	17.53	-	-	-	239.06
(ii) Others	1,896.97	23,965.83	866.20	-	10.42	-	26,739.42
	1,918.25	**24,166.08**	**883.73**	**-**	**10.42**	**-**	**26,978.48**

There are no disputed dues with respect to MSME Vendors and others.

(Amount in INR lakhs, unless otherwise stated)

NOTE 18 : CURRENT - OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Payables on purchase of property, plant and equipment and Intangibles assets[#]	1,181.60	16.36
Payable to employees	863.90	576.42
Bank overdraft	3.62	-
Other payable (CSR related obligations)	162.56	-
Total other financial liabilities	**2,211.68**	**592.78**

[#] Includes INR 174.55 lakhs (March 31, 2025: Nil) payable to micro and small enterprises (refer note 33).

NOTE 19 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Advances from customers	77.16	285.12
Statutory dues payable	222.07	869.45
Total other current liabilities	**299.23**	**1,154.57**

NOTE 20 : CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax payable	-	-
Total current tax liabilities	**-**	**-**

NOTE 21 : REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A) Sale of products	132,850.39	124,285.51
B) Sale of services		
(i) India	523.39	390.49
(ii) Export	1,644.25	9,495.36
C) Other operating revenues		
Sale of scrap	274.45	238.08
Export incentive	92.40	469.56
Total revenue from operations	**135,384.88**	**134,879.00**

(Amount in INR lakhs, unless otherwise stated)

NOTE 22 : OTHER INCOME

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Interest income earned on financial assets that are not designated as fair value through profit and loss account :		
(i) Bank/ other deposits	560.58	443.29
(ii) Other financial assets carried at amortised cost	12.47	13.32
b) Gain on Lease termination	83.62	-
c) Fair value gain on mutual funds	307.28	-
d) Net gain on foreign currency transaction and translation	67.74	498.52
e) Miscellaneous income	24.39	-
f) Gain on sale of Property, Plant and Equipment (net)	32.62	-
g) Recovery against transfer of employees (Refer Note 41)	624.49	-
Total	**1,713.19**	**955.13**

NOTE 23 : COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening stock	5,269.18	6,727.95
Add: Purchases	106,670.59	96,822.91
	111,939.77	103,550.86
Less: Closing stock	5,996.85	5,269.18
Raw material consumed	**105,942.92**	**98,281.68**

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening stock		
Work-in-progress	662.70	1,039.60
Finished goods	1,255.65	941.35
Goods in transit	3,952.41	4,737.56
	5,870.76	6,718.51
Closing stock		
Work-in-progress	1,005.38	662.70
Finished goods	1,067.95	1,255.65
Goods in transit	525.25	3,952.41
	2,598.58	5,870.76
Net decrease/ (increase)	**3,272.18**	**847.75**

(Amount in INR lakhs, unless otherwise stated)

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	6,237.96	9,612.96
Contribution to provident and other funds	213.25	506.79
Gratuity expenses (refer note 35)	197.95	201.76
Staff welfare expenses	817.59	935.54
Total	**7,466.75**	**11,257.05**

NOTE 26 : FINANCE COSTS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest to bank	-	4.32
Interest on lease liability	50.30	66.12
Unwinding of discount on provisions	4.12	16.53
Total	**54.42**	**86.97**

NOTE 27 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment	2,416.88	3,057.96
Amortisation of right of use assets	142.03	247.48
Amortisation of intangible assets	26.01	24.68
Total	**2,584.92**	**3,330.12**

(Amount in INR lakhs, unless otherwise stated)

NOTE 28 : OTHER EXPENSES

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Freight outward	1,653.46	2,322.01
Consumption of stores and spare parts	1,114.04	1,199.97
Power and fuel	1,952.89	1,807.89
Contract labour charges	947.64	948.34
Rent	120.25	68.52
Rates and taxes	73.16	32.85
Repairs and maintenance:		
Buildings	0.88	3.59
Machinery	956.20	988.79
Others	440.12	497.27
Insurance	140.95	168.02
Travelling and conveyance	193.79	346.74
Payment to auditors (refer note A below)	34.32	48.82
Provision for warranty	184.91	30.63
Bank charges	24.89	15.59
Legal and professional fees	870.62	1,083.46
Security charges	153.38	144.47
Corporate social responsibility (refer note 36)	182.98	105.96
Consumption of packing materials	124.07	108.99
Communication expenses	34.67	93.09
Product development expenses	817.50	700.09
Loss on assets sold/discarded (net)	-	455.11
Provision for doubtful trade receivables	15.76	13.48
Royalty paid	1,465.31	-
Miscellaneous expenses	867.41	791.24
Total	**12,369.20**	**11,974.92**

A. Payment to Auditors (excluding GST) -

	Year ended March 31, 2026	Year ended March 31, 2025
Auditors' remuneration		
(i) Statutory audit	25.75	34.50
(ii) Tax audit	1.25	1.50
(iii) Other Services	6.00	11.44
(iv) Out of pocket expenses	1.32	1.38
Total	**34.32**	**48.82**

(Amount in INR lakhs, unless otherwise stated)

NOTE 29 : EXCEPTIONAL ITEMS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Impact of new Labour wage code (Refer Note below)	181.19	-
Total	**181.19**	**-**

Note:
During the year ended March 31, 2026, the Central Government of India notified the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the "New Labour Codes," thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework, effective from November 21, 2025, primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity.

The Company has evaluated the impact of these changes and certain plan amendments using the best information available and guidance provided by the Institute of Chartered Accountants of India, and accordingly accounted for the increase in gratuity liability attributable to past service costs, aggregating to INR 181.19 lakhs in the financial statements of the Company as an exceptional item year ended March 31, 2026. The Company continues to monitor the developments pertaining to the Labour Codes and will evaluate the impact, if any, on the measurement of the employee benefits liability.

NOTE 30 : SEGMENT REPORTING

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the type of goods and services delivered or provided:

1) Manufacturing & Trading

The company manufactures, assembles and trades automobile components like driveheads, axles, banjo, gears and spares etc..

2) Services

The company also provides design engineering services in respect of forged products, drive line components, etc. for use in automobiles and light trucks manufactured by it. The company also renders IT and other support services mainly pertaining to the design engineering services rendered.

Consequent to Stock Purchase Agreement signed between the Company, AAM International Holdings Inc., American Axle & Manufacturing Inc., and Bharat Forge Limited, the segments related to 'Pune Business Office' which is engaged in the provision of captive IT support and product engineering services, and components business division that purchases vehicle components and exports the same to other group entities of the Company was transferred to group company. For further details refer Note 41.

Revenue and expenses directly attributable to segments are reported under each reportable segment.

Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(Amount in INR lakhs, unless otherwise stated)

(a) Segment revenues & result : Mar-26

Particulars	Manufacturing & Trading	Services	Total
Segment revenue	133,217.24	2,167.64	135,384.88
Segment profit	3,169.59	376.33	3,545.92
Unallocable expenses	-	-	-
Other income	-	-	1,680.57
Profit before tax	-	-	5,226.49
Other comprehensive income (OCI)	-	-	(3.98)
Taxes			(1,314.37)
Total comprehensive income	-	-	3,908.14

Mar-25

Particulars	Manufacturing & Trading	Services	Total
Segment revenue	124,993.15	9,885.85	134,879.00
Segment profit	8,018.55	1,607.72	9,626.27
Unallocable expenses	-	-	4.32
Other income	-	-	955.13
Profit before tax	-	-	10,577.08
Other comprehensive income (OCI)	-	-	(62.24)
Taxes			(2,692.91)
Total comprehensive income	-	-	7,821.93

(b) Segment assets & liabilities : Mar-26

Particulars	Manufacturing & Trading	Services	Total
Segment assets	87,885.18	-	87,885.18
Unallocable assets	-	-	-
Total assets			87,885.18
Segment liabilities	33,694.38	-	33,694.38
Unallocable liabilities	-	-	-
Total liabilities			33,694.38

(Amount in INR lakhs, unless otherwise stated)

Mar-25

Particulars	Manufacturing & Trading	Services	Total
Segment assets	62,578.41	3,879.96	66,458.37
Unallocable Assets	-	-	15,442.42
Total assets	-	-	81,900.79
Segment liabilities	28,624.54	2,993.59	31,618.13
Unallocable liabilities	-	-	-
Total liabilities			31,618.13

(c) Other segment information-Mar-26

Particulars	Manufacturing & Trading	Services	Total
Depreciation	2,524.79	60.13	2,584.92
Impairment of non-current assets	-	-	-
Additions to non current assets*	6,900.35	-	6,900.35

Mar-25

Particulars	Manufacturing & Trading	Services	Total
Depreciation	2,733.25	596.87	3,330.12
Impairment of non-current assets	(521.44)	-	(521.44)
Additions to non current assets*	616.84	208.45	825.29

*Additions to non-current assets comprises of capital expenditure on property, plant and equipment, right of use and intangible assets

(d) Geographical information

Geographic segments of the company are 'Outside India' and 'In India' based on the location of the customer for particulars of revenue and location of asset for the purpose of Non-current assets.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue		
India	124,628.19	107,992.79
Outside India	10,756.69	26,886.21
Total	**135,384.88**	**134,879.00**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Non-current assets* (Property, plant and equipment, Intangible assets, other non-current assets) by geographic area.		
India	30,007.10	23,083.47
Outside India	238.18	293.06
Total	**30,245.28**	**23,376.53**

*The amounts of additions to non-current assets excludes financial instruments and deferred tax assets.

(Amount in INR lakhs, unless otherwise stated)

Segment Revenue reported above represents revenue generated external customers. There were no inter-segment sales in the current and previous year.

The accounting policies' of reportable segments are the same as Company's accounting policies described in Note 2. Segment profit represents the Profit Before Tax earned by each segment without allocation of central administration cost. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(e) Information about major customers:

Revenue attributed to external customers which contributes to more than 10% of total revenue is as follows

Particular	Year ended March 31, 2026	Year ended March 31, 2025
Customer 1	87,053.03	71,414.09
Customer 2	23,947.38	19,649.37
Customer 3*	2,300.93	15,251.63

*Customer 3 in CY is not exceeding 10% of total revenue, amount has been disclosed for comparative purpose.

NOTE 31 : DISCLOSURE PURSUANT TO IND AS 24 'RELATED PARTY DISCLOSURES:

a)	Name of the related parties	Description of relationship
	(i) Entities where Control exists (upto June 30, 2026):	
	American Axle & Manufacturing Holdings Inc. (USA)	Ultimate Holding Company
	AAM International Holdings Inc. (USA)	Holding Company
	(ii) Entities where Control exists (from July 1, 2026):	
	Bharat Forge Limited (w.e.f.July 1, 2025)	Ultimate Holding Company
	(iii) Other parties with whom transactions have taken place during the year (upto June 30, 2026):	
	American Axle & Manufacturing Inc.(USA)	Fellow Subsidiary
	AAM Changshu Automotive Driveline High Technology Manufacturing Co., Ltd.,	Fellow Subsidiary
	Albion Automotive Limited	Fellow Subsidiary
	American Axle & Manufacturing (Thailand) Co., Ltd.	Fellow Subsidiary
	AAM Auto Component (India) Private Limited	Fellow Subsidiary
	AAM North America, Inc (formerly known as AAM International SARL)	Fellow Subsidiary
	(iv) Other parties with whom transactions have taken place during the year (from July 1, 2026):	
	JS Auto Cast Foundry India Private Limited	Fellow Subsidiary
	Automotive Axles Limited	Related party of Holding company
	Peach Blossom Investment Private Limited	Related party of Holding company
	(v) Key managerial personnel:	
	Mr. Vitthal Kulkarni (Director)	Key Managerial Personnel
	Mr. Vijay Ramane (Director till July 1 ,2025)	Key Managerial Personnel
	Mr. Krishan Kohli (Director w.e.f. July 1, 2025)	Key Managerial Personnel
	Mr. Amitabh Bhargawa (Director w.e.f. July 1, 2025)	Key Managerial Personnel
	Mrs. Pallavi Gokhale (Director w.e.f. Oct 13, 2025)	Key Managerial Personnel
	Mr. Shardul Deshpande (CFO w.e.f. Dec 1,2025)	Key Managerial Personnel
	Mr. Pradeep Dhaundiyal (Company Secretary)	Key Managerial Personnel

(Amount in INR lakhs, unless otherwise stated)

NOTE 32: EARNINGS PER SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings		
Earnings for the Purpose of basic earnings per share Profit for the period attributable to equity shareholders of the Company)	3,912.12	7,884.17
Effect of Dilutive Potential Ordinary Shares	-	-
Earnings for the purpose of diluted earnings per share in INR	3,912.12	7,884.17
Number of Shares		
Weighted Average Number of Equity Shares for the purpose of Basic Earnings per share	527,140,009	527,140,009
EPS Calculation		
Nominal Value of Equity Share INR	10.00	10.00
Basic and Diluted loss per Equity Share	0.74	1.50

NOTE 33: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,162.97	232.67
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	45.73	6.39
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	3,477.79	3,162.84
(iv) Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-
(v) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(vi) The amount of interest due and remaining unpaid at the end of the accounting year	45.73	6.39
(vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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. This has been relied upon by the auditors.

(Amount in INR lakhs, unless otherwise stated)

NOTE 34 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Contingent liabilities		
(i) Income Tax_Transfer Pricing related case (refer note 1 below)	270.99	-
(ii) CESTAT litigation pending before Customs, Excise and Service Tax Appellate Tribunal from FY 2012-13 and FY 2013-14 (refer note 2 below)	-	336.86
(iii) Guarantees given:		
- Bank guarantee given to statutory bodies/financial institutions	153.00	153.00
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for property, plant and equipment and Intangible assets under development	3,174.90	425.01

1) The company has received draft assessment order dated 10 February 2026 having demand for transfer pricing adjustment of INR.1076.65 lakhs for AY 2023-24 as adjustment for trading segment, contingent liability considered 25.17% on demand. The company has filed its objections before the DRP on 11 March 2026 against the draft assessment order.

2) The company has received the SCN from the commissioner of CGST & Central Excise, Chennai Outer for undervaluation of excise duty by selling the products below its cost of production in FY 2012-13 and 2013-24. The company has filed its appeal before the Customs, Excise and Service Tax Appellate Tribunal. The mentioned amount is excluding the 100% penalty of INR 336.86 lakhs and protest money deposited of INR 25.26 lakhs. During the year, order has been received for same in favour of the Company.

The Company is contesting the open demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process.

NOTE 35 : EMPLOYEE BENEFITS

Defined contribution plan

Contribution to Provident and other funds under note 25 - Employee Benefit Expenses includes expenses debited under the following defined contribution plans:

Particular	Year ended March 31, 2026	Year ended March 31, 2025
Provident fund	177.43	439.55
National pension scheme	35.35	66.11
Labour welfare fund	0.34	0.35
ESIC	0.13	0.78
Total	**213.25**	**506.79**

Defined benefit plan

The Company provides for gratuity for employees in India as per the Payment of 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 is the employees last drawn basic salary per month computed proportionately for 15 days to one month's salary multiplied for the number of years of service. The gratuity plan is a funded plan.

(Amount in INR lakhs, unless otherwise stated)

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans :

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Change in defined benefit obligations:		
Defined benefit obligation, beginning of the year	1,355.99	1,126.01
Current service cost	125.29	130.65
Interest cost	82.13	80.74
Past Service Cost	181.19	
Liability Transferred In/ Acquisitions	(605.99)	
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(20.42)	38.20
Actuarial (gains) / losses arising from changes in experience adjustments	27.36	45.64
Transfer in/(out) of liability	-	-
Benefits paid directly by employer	(9.90)	(65.25)
Defined benefit obligation, end of the year	**1,135.65**	**1,355.99**
Change in plan assets:		
Fair value of plan assets, beginning of the year	144.51	134.22
Interest income	9.46	9.62
Amount included in net Interest expense	1.62	0.67
Fair value of plan assets, end of the year	**155.59**	**144.51**

Particulars	As at March 31, 2026	As at March 31, 2025
Amount recognized in the balance sheet consists of:		
Present value of defined benefit obligation	(1,135.65)	(1,355.99)
Fair value of plan assets	155.59	144.51
Net liability	**(980.06)**	**(1,211.48)**
Amounts in the balance sheet:		
Current liabilities	(203.19)	(309.48)
Non–current liabilities	(776.86)	(902.00)
Net liability	**(980.05)**	**(1,211.48)**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total amount recognised in other comprehensive income consists of		
Remeasurements (gains) / losses	5.32	83.17
Amount recognised in statement of profit and loss in respect of these defined benefit plans		
Current service cost	125.29	130.65
Net interest cost / (income)	72.66	71.11
Net periodic cost	**197.95**	**201.76**
Other changes in plan assets and benefit obligation recognized in other comprehensive		
Income:		
Remeasurements		
Return on plan assets, (excluding amount included in net Interest expense)	(1.62)	(0.67)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(20.42)	38.20
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	27.36	45.64
Total recognized in other comprehensive income	**5.32**	**83.17**
Total recognized in statement of profit and loss and other comprehensive income	**203.27**	**284.93**

The principal assumptions used for the purposes of the actuarial valuations were as follows:	As at March 31, 2026	As at March 31, 2025
Discount rate	6.89%	6.59%
Expected rate of salary increase	10.50%	10.50%

The discount rate assumed is 6.89% per annum (Previous Year 6.59 %) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Plan assets

The fair value of Company's pension plan asset as of March 31, 2026 and March 31, 2025 by category are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Asset category:		
Deposits with Insurance companies	100%	100%

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity analysis of the benefit payments: From the fund		
Projected benefits payable in Future years from the date of reporting		
1st Following year	157.93	172.48
2nd Following year	144.02	208.29
3rd Following year	164.21	153.61
4th Following year	116.58	170.25
5th Following year	132.60	134.61
Sum of years 6 to 10	456.25	549.10
Sum of years 11 above	583.35	645.14
Expected contribution in the next year	203.19	309.48

Sensitivity analysis

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefit obligation on current assumption	1,135.65	1,355.99
Delta Effect of +1% Change in rate of discounting	(54.49)	(64.45)
Delta Effect of -1% Change in rate of discounting	60.78	71.72
Delta Effect of +1% Change in rate of salary increase	43.87	51.63
Delta Effect of -1% Change in rate of salary increase	(43.37)	(50.04)
Delta Effect of +1% Change in rate of employee turnover	(9.70)	(11.44)
Delta Effect of -1% Change in rate of employee turnover	10.55	12.48

The sensitivity analysis have been determined based on reasonably possible changes of respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Qualitative disclosures

Para 139(b) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(Amount in INR lakhs, unless otherwise stated)

Investment risk: The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has relatively balanced mix of investments in government securities, and other debt instruments.

Asset matching liability risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: The benefits under the plan is not payable for life time and payable till retirement age only, plant does not have any longevity risk.

NOTE 36 : CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The areas for CSR activities are referred in table D below. A CSR committee has been formed by the Company as per the Act.

A	**Particulars**	**March 31, 2026**	**March 31, 2025**
	Gross amount required to be spent as per Section 135 of the Act	182.98	105.96
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	**182.98**	**105.96**
B	Amount approved by the Board to be spent during the year	182.98	105.96
C	**Amount spent during the year on**		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	182.98	105.96

D **Details related to amount spent/ unspent**

Particulars	**March 31, 2026**	**March 31, 2025**
Spent on following activities		
On other than ongoing project		
i) Promoting health care	-	11.80
ii) Rehabilitation and reconstruction activities	-	0.72
iii) Prime minister care fund	-	93.44
	-	**105.96**
On ongoing project		
i) Promoting education	20.42	-
ii) Skill development	45.77	-
iii) Environmental sustainability	17.11	-
	83.30	**-**
Accrual towards unspent obligations in relation to:		
Ongoing projects	99.68	-
Other than ongoing projects	-	-
	99.68	-
TOTAL	**182.98**	**105.96**

(Amount in INR lakhs, unless otherwise stated)

E **Details of CSR expenditure in respect of other than ongoing projects: March 2026**

Nature of Activity	Balance unspent as at April 1, 2025	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2026
Prime minister care fund	-	-	-	-	-
Others (refer table D)	-	-	-	-	-
Total	-	-	-	-	-

Details of CSR expenditure in respect of other than ongoing projects: March 2025

Nature of Activity	Balance unspent as at April 1, 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2025
Prime minister care fund	-	-	93.44	93.44	-
Others (refer table D)	-	-	12.52	12.52	-
Total	-	-	**105.96**	**105.96**	-

F **Details of ongoing project and other than ongoing project**

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)

Amount of shortfall as at 1 April 2025		Amount required to be spent during the year	Amount spent during the year - From company's bank account		Amount of shortfall as at 31 March 2026	
With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account*
-	-	182.98	83.30	-	-	99.68

*The company has transferred INR.99.68 lakhs to separate CSR bank account within 30 days from the end of financial year.

G **Disclosures on shortfall**

Particulars	March 31, 2026	March 31, 2025
Amount required to be spent by the Company during the year	182.98	105.96
Actual amount spent by the Company during the year	83.30	105.96
Shortfall / (Excess) at the end of the year	99.68	-
Total of previous years shortfall	-	-
Total shortfall	**99.68**	-

(Amount in INR lakhs, unless otherwise stated)

NOTE 37 : FINANCIAL RATIOS

S. No.	Ratio	Formula	Ratio as on		Variation	Reason (If variation is more than 25%)
			March 31, 2026	March 31, 2025		
(a)	Current Ratio (times)	Current Assets / Current Liabilities	1.81	1.93	6.05%	Not applicable
(b)	Debt Service Coverage Ratio (times)	Net Operating Income* / Debt Service#	-	3,118.69	100%	Variance is on account of change in Net income due to Business restructuring. Refer Note 41 for further details
(c)	Return on Equity Ratio (%)	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	7.22%	15.68%	53.96%	Variance is on account of change in Net income due to Business restructuring. Refer Note 41 for further details
(d)	Inventory Turnover Ratio (times)	Cost of Goods Sold / Average Inventory	9.83	7.41	-32.72%	Variance is on account of change in Net income due to Business restructuring. Refer Note 41 for further details
(e)	Trade Receivables Turnover Ratio (times)	Net Credit Sales / Average Trade Receivables	4.44	4.14	-7.31%	Not applicable
(f)	Trade Payables Turnover Ratio (times)	Net Credit Purchases / Average Trade Payables	3.84	3.48	-10.48%	Not applicable
(g)	Net Capital Turnover Ratio (times)	Revenue / Average Working Capital	5.03	5.78	12.91%	Not applicable
(h)	Net Profit Ratio (%)	Net Profit / Net Sales	2.89%	5.85%	50.57%	Variance is on account of change in Net income due to Business restructuring. Refer Note 41 for further details
(i)	Return on Capital Employed (%)	EBIT / Capital Employed	9.23%	20.30%	54.54%	Variance is on account of change in Net income due to Business restructuring. Refer Note 41 for further details
(j)	Return on Investment (%)	time weighted rate of return (TWRR)	18.90%	6.30%	-200.00%	The change is on account of investments in mutual funds with higher returns during the year.

*Net profit after taxes + Non-cash operating expenses + finance cost

#Debt Service = Interest & Lease Payments + Principal Repayments

(Amount in INR lakhs, unless otherwise stated)

NOTE 38 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The Company does not have external debts as at the year end. 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.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2026 and 31st March 2025.

NOTE 39 : FINANCIAL INSTRUMENT

Categories of financial instrument

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets		
Measured at amortised cost		
(i) Investments	-	0.80
(ii) Trade receivables	30,327.41	30,451.08
(iii) Cash and cash equivalents	1,166.42	14,910.95
(iv) Other financials assets		
(a) Security deposits	210.85	211.89
Financial liabilities		
Measured at amortised cost		
(i) Long term borrowings	-	-
(ii) Lease liabilities	704.41	591.01
(iii) Trade payables	28,542.75	26,978.48
(iv) Current maturities of long term borrowings	-	-
(v) Other financials liabilities	2,211.68	592.78

Financial risk management objectives

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.

Credit risk management

Credit risk refers to the risks that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals only with credit worthy counterparties and takes appropriate measures to mitigate the risk of financial loss from defaults. Trade receivable consists majorly of Original Equipment Manufacturers (OEMs) and across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Liquidity risk management

The Company has established an appropriate liquidity risk management framework for the management of short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows.

(Amount in INR lakhs, unless otherwise stated)

i) 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 tables include both interest and principal cash flows.

Particulars	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial liabilities				
March 31, 2026				
Lease liabilities	206.42	381.85	116.14	-
Trade payables	28,542.75	-	-	-
Other financial liabilities	2,211.68	-	-	-
March 31, 2025				
Lease liabilities	309.33	339.64	-	-
Trade payables	26,978.48	-	-	-
Other financial liabilities	592.78	-	-	-

ii) Maturities of financial assets

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets with agreed collection periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial assets based on the earliest date on which the Company can collect the amounts. The tables include both interest and principal cash flows.

Particulars	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
March 31, 2026				
Investments	-	-	-	-
Trade receivables	30,327.41	-	-	-
Cash and cash equivalents	1,166.42	-	-	-
Other financial assets	-	14.95	-	195.90
March 31, 2025				
Investments	-	0.80	-	-
Trade receivables	30,451.08	-	-	-
Cash and cash equivalents	14,910.95	-	-	-
Other financial assets	-	183.72	-	64.64

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: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Future specific market movements cannot be normally predicted with reasonable accuracy.

(Amount in INR lakhs, unless otherwise stated)

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Currency	Amount in foreign currency in lakhs		Equivalent amount INR in lakhs	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Trade payables	USD	1.29	0.55	124.06	47.88
	EUR	0.53	0.05	58.61	4.56
Trade receivables	GBP	-	0.86	-	93.36
	USD	2.95	38.87	261.39	3,266.42

Foreign currency sensitivity analysis

Particulars	As at March 31, 2026	As at March 31, 2025
USD Impact		
5% Appreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	6.87	160.93
Impact on total equity as at the end of the reporting period	6.87	160.93
5% Depreciation in USD		
Impact on profit or loss for the year {Gain/(Loss)}	(6.87)	(160.93)
Impact on total equity as at the end of the reporting period	(6.87)	(160.93)
EUR Impact		
5% Appreciation in EUR		
Impact on profit or loss for the year {Gain/(Loss)}	(2.93)	0.23
Impact on total equity as at the end of the reporting period	(2.93)	0.23
5% Depreciation in EUR		
Impact on profit or loss for the year {Gain/(Loss)}	2.93	(0.23)
Impact on total equity as at the end of the reporting period	2.93	(0.23)
GBP Impact		
5% Appreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	-	4.67
Impact on total equity as at the end of the reporting period	-	4.67
5% Depreciation in GBP		
Impact on profit or loss for the year {Gain/(Loss)}	-	(4.67)
Impact on total equity as at the end of the reporting period	-	(4.67)

(Amount in INR lakhs, unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates as the Company does not have any long-term debt obligations with floating interest rates.

NOTE 40

The Company is in the process of analysing whether its transactions in the current year with associated persons are in accordance with the transfer pricing norms under the Income-tax Act, 1961. Based on the self-assessment and results of prior year, the Management believes that these transactions are at arm's length and no adjustments would be necessary to the financial statements for such matters.

NOTE 41 : ACQUISITION BY BHARAT FORGE LIMITED

On April 22, 2025, The Competition Commission of India had approved the proposed acquisition of 100% equity shareholding of the AAM India Manufacturing Corporation Private Limited by Bharat Forge Limited, consequent to Stock Purchase Agreement signed between the Company, AAM International Holdings Inc., American Axle & Manufacturing Inc., and Bharat Forge Limited (BFL) dated October 17, 2024,

Accordingly, BFL has acquired 100% stake in "AAM India Manufacturing Corporation Private Limited" now known as "K Drive Mobility Solutions Private Limited" on July 01, 2025.

Consequent to the stake sale in the Company, AAM USA discontinued its Services Agreement dated 01 January 2018 with AAM India. Since AAM India used to render services only to AAM USA, it has transferred the workforce of its Service division engaged in rendering IT enabled drawing/ design engineering and IT support services along with the employee related liabilities as on 31 May 2025 and certain assets as on 24 May 2025 to AAM Auto Components (India) Private Limited (subsidiary of AAM Group)(the "transferee"). The Company has received consideration aggregating to Rs 536.88 lakhs and Rs. 624.49 lakhs, from the transferee company, on account of sale of such assets and recovery against transfer of employees, respectively.

Also, the Company has transferred its components business division that purchases vehicle components and exports the same to other group entities of AAM Group, has now been demerged on a going concern basis and transferred to the transferee company, as it is no longer a part of the Company.

NOTE 42

Other disclosures in accordance with Division II to Schedule III of Companies Act, 2013 are either Nil or not applicable to the Company.

NOTE 43

Figures for the previous year have been regrouped/reclassified wherever considered necessary.

As per our report of even date
For M S K A & Associates LLP (formerly known as M S K A & Associates)
Accountants
ICAI Firm Registration No. 105047W/W101187

Anup Mundhra
Partner
Membership No: 061083
Date: May 06, 2026
Place: Pune
UDIN: 26061083BVSNUY9405

For and on behalf of the Board of Directors
K Drive Mobility Solutions Private Limited Chartered

Vitthal Kulkarni
Director
DIN: 09278241
Date: May 06, 2026
Place: Pune

Krishan Kohli
Director
DIN: 08644811
Date: May 06, 2026
Place: Pune

Shardul Deshpande
Chief Financial Officer

Date: May 06, 2026
Place: Pune

Pradeep Dhaundiyal
Company Secretary
Membership No: 27473
Date: May 06, 2026
Place: Pune

Kalyani Centre for Precision Technology Limited

Registered Office
C/o Bharat Forge Limited, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Kalyani Centre for Precision Technology Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Kalyani Centre for Precision Technology Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and We have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and We will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If We conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, We give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

b) The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property plant and equipment, financial reporting process, purchase to payables, revenue to receivables and Production to inventory throughout the year.

c) The payroll accounting software does not have the feature of recording the audit trail (edit Log) facility. Consequently, we are unable to comment on audit trail features of the said software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally where enabled, the audit trail has been preserved by the company as per the statutory requirements for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN: 26160187ZANNUN3342

Place : Pune
Date : 5th May, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI CENTRE FOR PRECISION TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company does not carry any intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory comprising stock of raw material, work in progress, Stores, spares, loose tools, scrap and Finished goods. The inventory except goods in transit was physically verified by the management during the year. For goods in transit subsequent evidence of receipt and acceptance of material at customer end has been linked with inventory records. In our opinion, the frequency of such verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets of the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the bank has waived off requirement to file the quarterly returns/statements with regard to the securities provided against working capital facility on periodic basis by the Company.

(iii) The Company has not made any investments in, provided any guarantee or security during the year to companies, firms, limited liability partnerships or any other parties, in respect of the loans or advances in the nature of loans, secured or unsecured, no amount has been granted by the Company during the year to companies, firms, limited liability partnerships or any other parties.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans in contravention of sections 185 and 186 of the Companies Act, 2013. The Company has not given any guarantee or provided security in connection with a loan to any other body corporate or person.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed, there under.

(vi) Requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company.

(vii) (a) According to the records of the Company, the Company was found to be regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, income-tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues were outstanding

as at 31st March, 2026 for a period of more than six months from the date those became payable.

(b) According to the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest, thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) No report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanation given to us, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, the Company has not entered into any transactions with the related parties in contravention of the provisions of section 188 of the Companies Act, 2013. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Provisions of section 177 of the Act do not apply to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities requiring a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group.

(xvii) The Company has not incurred any cash losses during the financial year covered by this report and also in the preceding financial year.

(xviii) There has been no resignation by the statutory auditors of the Company during the year.

(xix) On the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to sub section 5 of section 135 of the Companies Act, 2013. This matter has been disclosed in note 42 to the financial statements.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) relating to ongoing projects requiring a transfer to a special account in compliance with second proviso to sub-section (6) of Section 135 of the said Act. This matter has been disclosed in note 45 to the financial statements.

For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN: 26160187ZANNUN3342

Place : Pune
Date : 5th May, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI CENTRE FOR PRECISION TECHNOLOGY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

We have audited the internal financial controls over financial reporting of **Kalyani Centre For Precision Technology Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN: 26160187ZANNUN3342

Place : Pune
Date : 5th May, 2026

Balance sheet

as at 31st March, 2026

(In ₹ Thousands)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
a)	Property, plant and equipment	3	**332,724.47**	385,683.51
b)	Capital work in progress	3	**20,865.50**	17,784.83
c)	Right of use assets	4	**333,416.25**	200,161.59
d)	Financial assets			
i)	Investment	5	**12,936.25**	12,936.25
ii)	Other financial assets	6	**61.49**	58.08
e)	Income tax assets (net)	7	**7,958.15**	759.34
f)	Other non-current assets	8	**140.97**	225.96
			708,103.08	617,609.56
2	**Current assets**			
a)	Inventories	9	**170,252.98**	103,237.31
b)	Financial assets			
i)	Investment	10	**-**	52,592.40
ii)	Trade receivable	11	**816,851.21**	317,015.31
iii)	Cash and cash equivalents	12	**4,800.38**	1,125.29
iv)	Other financial assets	13	**208.38**	98.93
c)	Other current assets	14	**34,288.50**	86,200.97
			1,026,401.45	560,270.21
	TOTAL :		**1,734,504.53**	1,177,879.77

(In ₹ Thousands)

	Notes	As at 31st March, 2026	As at 31st March, 2025
I. EQUITY AND LIABILITIES			
A) EQUITY			
a) Equity share capital	15	**690,883.30**	690,883.30
b) Other equity	16	**241,312.15**	175,605.81
		932,195.45	866,489.11
B) LIABILITIES			
1 Non current liabilities			
a) Financial liabilities			
i) Lease liabilities	35	**253,464.20**	161,258.15
b) Provisions	17	**1,070.22**	365.91
c) Deferred tax liabilities (net)	18	**605.00**	10,253.00
		255,139.42	171,877.06
2 Current liabilities			
a) Financial liabilities			
i) Lease liabilities	35	**90,177.19**	38,064.41
ii) Trade payables	19		
Dues to micro enterprises and small enterprises		**3,712.78**	1,786.15
Dues to other than micro enterprises and small enterprises		**437,731.19**	83,017.45
iii) Other financial liabilities	20	**13,153.85**	13,170.45
b) Other current liabilities	21	**2,346.77**	1,551.53
c) Provisions	22	**47.88**	34.12
d) Income Tax Liabilities	23	**-**	1,889.49
		547,169.66	139,513.60
TOTAL :		**1,734,504.53**	1,177,879.77
Significant accounting policies and notes forming an integral part of the financial statements	**1 to 47**		

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN : 26160187ZANNUN3342

Place : Pune
Date : 05th May, 2026

On behalf of the Board of Directors of
Kalyani Centre for Precision Technology Limited,

Kedar Dixit
Director
DIN: 07055747

Sanjay Agrawal
Additional Director and CEO
DIN: 10425145

Sameer Paranjape
Chief Financial Officer

Place : Pune
Date : 05th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Thousands)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I	**Revenue from operations**	24	**1,312,890.61**	592,229.31
II	**Other income**	25	**19,773.17**	790.10
III	**Total income**		**1,332,663.78**	593,019.41
IV	**Expenses**			
	Cost of raw material and components consumed	26	**454,505.66**	-
	Increase in inventories of work-in-progress and finished goods	27	**(23,275.02)**	(16,911.77)
	Employee benefit expenses	28	**91,798.48**	53,259.04
	Finance costs	29	**28,842.30**	17,573.67
	Depreciation & amortisation expense	30	**136,507.95**	100,236.41
	Other expenses	31	**558,344.95**	361,218.06
	Total expenses		**1,246,724.32**	515,375.41
V	**Profit before tax**		**85,939.45**	77,643.99
VI	**Income Tax Expenses/(Savings)**			
	Current tax		**29,913.15**	21,457.07
	Deferred tax		**(9,656.07)**	(1,263.61)
			20,257.08	20,193.46
VII	**Profit for the year**		**65,682.37**	57,450.53
VIII	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit and loss in the subsequent period			
	- Remeasurement of (losses)/ Gains of defined benefit plans		**32.04**	(61.15)
	- Tax saving on above		**(8.07)**	15.39
	Total other comprehensive income, net of tax		**23.97**	(45.76)
IX	**Total Comprehensive Income for the year**		**65,706.34**	57,404.77
X	**Earnings per share (Nominal value per share ₹ 10/- each):**			
	(a) Basic (In ₹)	36	**0.95**	0.83
	(b) Diluted (In ₹)	36	**0.95**	0.83
	Significant accounting policies and notes forming an integral part of the financial statements	**1 to 47**		

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN : 26160187ZANNUN3342

Place : Pune
Date : 05th May, 2026

On behalf of the Board of Directors of
Kalyani Centre for Precision Technology Limited,

Kedar Dixit
Director
DIN: 07055747

Sanjay Agrawal
Additional Director and CEO
DIN: 10425145

Sameer Paranjape
Chief Financial Officer

Place : Pune
Date : 05th May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	In ₹ Thousands	Nos.	In ₹ Thousands
As at beginning of the year	**69,088,330**	**690,883.30**	69,088,330	690,883.30
Changes in equity share capital due to prior period errors.	**-**	**-**	-	-
Restated balance at the beginning of the current reporting period.	**69,088,330**	**690,883.30**	69,088,330	690,883.30
Changes in equity share capital due to prior period errors.	**-**	**-**	-	-
Equity share capital issued during the year	**-**	**-**	-	-
As at end of the year	**69,088,330**	**690,883.30**	69,088,330	690,883.30

b Other equity

(In ₹ Thousands)

	Retained Earnings	Total other equity
As at beginning of the year	118,201.04	118,201.04
Changes in equity share capital due to prior period errors.	-	-
Restated balance at the beginning of the current reporting period.	118,201.04	118,201.04
Add:		
Profit for the period	57,450.53	57,450.53
Other comprehensive income for the year		
- Remeasurement of (losses)/ Gains of defined benefit plans net of tax	(45.76)	(45.76)
Balance as at 31st March, 2025	175,605.81	175,605.81
Changes in equity share capital due to prior period errors.	**-**	**-**
Restated balance at the beginning of the current reporting period.	**175,605.81**	**175,605.81**
Add:		
Profit for the period	**65,682.37**	**65,682.37**
Other comprehensive income for the year		
- Remeasurement of (losses)/ Gains of defined benefit plans net of tax	**23.97**	**23.97**
Balance as at 31st March, 2026	**241,312.15**	**241,312.15**

c Total equity

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Equity share capital	**690,883.30**	690,883.30
Other equity	**241,312.15**	175,605.81
Total :	**932,195.45**	866,489.11
Significant accounting policies and notes forming an integral part of the financial statements	**1 to 47**	

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN : 26160187ZANNUN3342

Place : Pune
Date : 05th May, 2026

On behalf of the Board of Directors of
Kalyani Centre for Precision Technology Limited,

Kedar Dixit
Director
DIN: 07055747

Sanjay Agrawal
Additional Director and CEO
DIN: 10425145

Sameer Paranjape
Chief Financial Officer

Place : Pune
Date : 05th May, 2026

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Thousands)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**			
	Profit before tax		**85,939.46**	77,643.98
	Adjusted for :			
	Depreciation and amortization expenses		**136,507.95**	100,236.41
	Interest received on bank and other deposits		**(9.66)**	(8.90)
	Interest paid on lease liabilties		**26,359.25**	17,287.39
	Interest paid on other deposits		**2,429.08**	220.28
	Interest on Income Tax		**53.97**	66.00
	Gain on Fair Valuation of Investment		**595.00**	(595.00)
	Remeasurement of (losses)/ Gains of defined benefit plans		**32.04**	(61.15)
	Operating profit(loss) before working capital changes :		**251,907.09**	194,789.01
	Movements in working capital :			
	(Increase) / decrease in other non-current assets		**85.00**	4,809.70
	(Increase) / decrease in inventory		**(67,015.67)**	(46,442.52)
	(Increase) / decrease in trade receivables		**(499,835.90)**	(28,468.45)
	(Increase) / decrease in other financial assets		**(109.45)**	(4.14)
	(Increase) / decrease in other current assets		**51,912.47**	(3,740.22)
	Increase / (decrease) in trade payables		**356,640.35**	21,526.71
	Increase / (decrease) in other current financial liabilities		**(16.60)**	13,072.05
	Increase / (decrease) in other current liabilities		**795.25**	255.21
	Increase / (decrease) in other provisions		**718.08**	159.63
			(156,826.47)	(38,832.03)
	Cash generation from operations :		**95,080.62**	155,956.98
	Direct taxes paid (net of refunds)		**(39,056.24)**	(19,214.71)
	Net Cash (used in)/from operating activities :	**(A)**	**56,024.38**	136,742.27
(B)	**Cash flows from investing activities**			
	Purchase of property, plant and equipment		**(7,277.78)**	(18,952.59)
	(Investment in) Equity Shares		**-**	(12,936.25)
	(Investment in) Other Financial Asset		**(3.41)**	(3.22)
	(Investment in) Mutual Funds		**51,997.40**	(51,997.40)
	(Investment in) bank deposit		**0.83**	(1.25)
	Interest received from bank and other deposits		**9.66**	8.90
	Net cash (used in)/from investing activities :	**(B)**	**44,726.70**	(83,881.81)

(In ₹ Thousands)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(C)	**Cash flows from financing activities**			
	Repayment of borrowing through ICD			
	Interest Paid on other deposits		**(2,429.08)**	(220.28)
	Interest paid on lease liabilities		**26,359.25**	17,287.41
	Payment of lease liability exculding interest		**(121,006.15)**	(69,731.64)
	Cash (used in)/from financing activities :	**(C)**	**(97,075.98)**	(52,664.51)
(D)	**Net changes in cash and cash equivalents (A+B+C) :**		**3,675.10**	195.95
(E)	**Cash and cash equivalents at the beginning of the year**		**1,125.28**	929.34
(F)	**Cash and cash equivalents at the end of the year**		**4,800.38**	1,125.29

Components of cash and cash equivalents as at	**As at 31st March, 2026**	As at 31st March, 2025
Balances with banks in current accounts	**4,800.38**	1,125.29
TOTAL :	**4,800.38**	1,125.29

Significant accounting policies and notes forming an integral part of the financial statements	**1 to 47**	

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN : 26160187ZANNUN3342

Place : Pune
Date : 05th May, 2026

On behalf of the Board of Directors of
Kalyani Centre for Precision Technology Limited,

Kedar Dixit
Director
DIN: 07055747

Sanjay Agrawal
Additional Director and CEO
DIN: 10425145

Sameer Paranjape
Chief Financial Officer

Place : Pune
Date : 05th May, 2026

Notes forming Part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

Kalyani Centre For Precision Technology Limited ("the Company") is a public limited company incorporated on 25th December, 2019 under the provisions of Companies Act, 2013. The Company is a wholly owned subsidiary of Bharat Forge Limited. Corporate Identity Number of the Company is U29304PN2019PLC188666.

The Company is engaged in the business of manufacturing of machined components.

These Financial statements were authorised for issue in accordance with resolution of the Board of Directors on 05th May, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and presentation requirements of division II of Schedule III to the Companies Act 2013, along with other provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest thousand rupee Except when otherwise indicated

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currencies :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 39)

b) Quantitative disclosures of fair value measurement hierarchy (note 41)

c) Investment in Unquoted Equity shares (note 5)

d) Financial instruments (including those carried at amortized cost) (note 40)

2.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 39.

a) Sale of Goods :

Revenue from sale of goods is recognised when the performance obligation is satisfied and usually coincides with point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Tooling Income :

Revenue from tooling income is recognised when performance obligation is satisfied and usually coincides with point in time when the control of die is transferred, which is generally on receipt of customer's approval. Referred to as production parts approval process or PPAP) as per the terms of the contract.

c) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

d) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

e) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivable that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in note no. 2.14.

f) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

h) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

i) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

j) Government Grants :

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Income from Export incentive is accounted for on the export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.6 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the

temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.7 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.

The estimated useful lives of items of property, plant and equipment are given below

Type of Asset		Estimated useful life (years)
i)	Plant and Machinery (including spares of capital nature)	15 to 20
ii)	Plant and Machinery - Computer	3
iii)	Furniture and Fixtures	10
iv)	Office Equipment's	5
v)	Power line	7
vi)	Vehicles and Aircraft	8

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

The Company, based on technical assessment made by a technical expert and management estimates depreciates certain items of plant and equipment's over estimated useful lives which are different from the useful life prescribed in Schedule II of the Companies Act 2013. The management believes that these estimated useful lives are realistic and a fair approximation of the period over which the assets are likely to be used

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

2.9 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependant on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in the arrangement.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of

twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset		Useful lives estimated by management
i)	Land and Building	10 years
ii)	Plant and equipment	4 to 7 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.11 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those

leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Inventories :

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

a) Raw Materials :

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. The costs are determined using the weighted average method.

b) Work-in-progress and finished goods :

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The costs are determined using the weighted average method.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

2.11 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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 Company's of assets. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such

properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.12 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.13 Post-employment and other employee benefits :

a) Provident fund :

The contributions to provident fund are recognised in the statement of profit and loss during the period in which the employee renders the related service. As for employees, their portion of provident fund contributed to the government administered provident fund which is defined contribution scheme. The Company has no further obligations under these schemes beyond its periodic contributions.

b) Gratuity :

The Company operates a defined benefits plan for its employees. Payment for present liability of future payment of gratuity is being made to approved gratuity funds. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in

which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

i) The date of the plan amendment or curtailment, and

ii) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii) Net interest expense or income

c) Privilege leave benefits :

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as a non-current liability.

2.14 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 Asset :

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus. Transaction costs that are attributable to the acquisition of the financial asset (Other than financial assets measured at fair value through profit or loss) are added to the fair value measured initially. Transaction costs that are directly attributable to the acquisition of the financial asset measured at fair value through profit or loss are recognised in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Equity instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the profit or loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.15 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.16 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.17 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.18 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.19 Cash flow statement :

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.

3 PROPERTY, PLANT AND EQUIPMENT :

(In ₹ Thousands)

	Plant and machinery	Furniture and fixtures	Office equipment	Power line	Vehicle	Total	Capital work in progress
Gross block, at cost :							
As at 31st March, 2024	564,290.69	1,204.30	812.79	10,000.00	-	576,307.78	6,904.08
Additions	7,001.86	-	180.00	-	889.97	8,071.83	15,920.97
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(5,040.22)
As at 31st March, 2025	571,292.55	1,204.30	992.79	10,000.00	889.97	584,379.61	17,784.83
Additions	**3,616.49**	**-**	**580.62**	**-**	**-**	**4,197.11**	**43,065.66**
Adjustments[(a)]	**-**	**-**	**-**	**-**	**-**	**-**	**(39,404.38)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(580.61)**
As at 31st March, 2026	**574,909.04**	**1,204.30**	**1,573.41**	**10,000.00**	**889.97**	**588,576.72**	**20,865.50**
Depreciation :							
Up to 31st March, 2024	136,874.46	347.30	468.79	4,759.29	-	142,449.84	-
Charge for the year	54,481.01	114.41	170.73	1,428.57	51.54	56,246.26	-
Disposals	-	-	-	-	-	-	-
Up to 31st March, 2025	191,355.47	461.71	639.52	6,187.86	51.54	198,696.10	-
Charge for the year	**55,299.88**	**114.41**	**207.61**	**1,428.57**	**105.68**	**57,156.15**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Up to 31st March, 2026	**246,655.35**	**576.12**	**847.13**	**7,616.43**	**157.22**	**255,852.25**	**-**
Net Block :							
As at 31st March, 2025	379,937.08	742.59	353.27	3,812.14	838.43	385,683.51	17,784.83
As at 31st March, 2026	**328,253.69**	**628.18**	**726.28**	**2,383.57**	**732.75**	**332,724.47**	**20,865.50**

a) During the current year the Holding Company has agreed to reimbursed all the Capital expenditure incurred by the Company in connection to installation and preparation of other peripheral infrastructure for plant and machinery leased by the Holding Company.

b) **CWIP Ageing Schedule**

(In ₹ Thousands)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026					
Projects in Progress	**17,583.75**	**-**	**-**	**-**	**17,583.75**
Projects temporarily suspended	**-**	**-**	**-**	**3,281.75**	**3,281.75**
Total :	**17,583.75**	**-**	**-**	**3,281.75**	**20,865.50**
As at 31st March, 2025					
Projects in Progress	14,503.08	-	-	-	14,503.08
Projects temporarily suspended	-	-	-	3,281.75	3,281.75
Total :	14,503.08	-	-	3,281.75	17,784.83

There are no projects whose completion is overdue or have exceeded their cost compared to the original plan.

c) The Company has not revalued any property, plant and equipment during the year.

d) None of the assets of the company are lying with third parties.

e) The Company does not have any immovable property.

4 RIGHT-OF-USE ASSETS :

(In ₹ Thousands)

	Land and Building	Plant and equipment	Total
Gross block, at cost :			
As at 31st March, 2024	168,900.41	189,946.38	358,846.79
Additions	-	-	-
Disposals	-	-	-
Adjustments	-	-	-
As at 31st March, 2025	168,900.41	189,946.38	358,846.79
Additions	**-**	**212,606.46**	**212,606.46**
Disposals	**-**	**-**	**-**
Adjustments	**-**	**-**	**-**
As at 31st March, 2026	**168,900.41**	**402,552.84**	**571,453.25**
Depreciation and amortization :			
Up to 31st March, 2024	71,758.40	42,936.65	114,695.05
Disposals	-	-	-
Adjustments	-	-	-
For the year	16,876.18	27,113.97	43,990.15
Up to 31st March, 2025	88,634.58	70,050.62	158,685.20
Disposals	**-**	**-**	**-**
Adjustments	**-**	**-**	**-**
For the year	**16,876.18**	**62,475.62**	**79,351.80**
Up to 31st March, 2026	**105,510.76**	**132,526.24**	**238,037.00**
Net Block :			
As at 31st March, 2025	80,265.83	119,895.76	200,161.59
As at 31st March, 2026	**63,389.65**	**270,026.60**	**333,416.25**

5 NON CURRENT INVESTMENT:

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Investment designated at Fair Value through Other Comprehensive Income (FVOCI)		
Investments in Equity Shares		
10,349 (31st March 2025 : 10,349) Equity shares of Rs. 10 each in Sunsure Solarpark Twenty Eight Private Limited [(a)]	**12,936.25**	12,936.25
	12,936.25	12,936.25

a) During the previous year the Company has invested in Sunsure Solarpark Twenty Eight Private Limited of 12,936.25 Thousand by acquiring 10,349 Equity shares of Rs. 10 Each at a premium of 1,240/- Each.

b) Refer Note no 41 for determination of Fair values

6 OTHER FINANCIAL ASSETS (NON-CURRENT) :

(Unsecured, good) (In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Deposits with banks with maturity of more than twelve months[(a)]	**61.49**	58.08
Total :	**61.49**	58.08
(a) Includes deposits held as margin against bank guarantees	**61.49**	58.08

7 INCOME TAX ASSETS (NET) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Tax paid in advance (net)	**7,958.15**	759.34
Total :	**7,958.15**	759.34

8 OTHER NON-CURRENT ASSETS :

(Unsecured, good) (In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Prepaid expenses	**140.97**	225.96
Total :	**140.97**	225.96

9 INVENTORIES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Finished Goods*	**39,988.76**	-
Raw materials	**23,114.71**	-
Work-in-progress	**4,995.54**	21,709.28
Stores, spares and loose tools#	**102,153.97**	81,528.03
Total :	**170,252.98**	103,237.31

*Includes goods in transit of **₹ 39,804.65 thousand** (31st March, 2025: Nil)

#During the year ended 31st March, 2025 provision for slow and non moving inventory has been recognised amounting to **₹ 3,610.66 Thousands** (in 31st March 2025 : ₹ 2,420.35 Thousands)

10 CURRENT INVESTMENTS :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
(At Fair Value through Profit and loss account)		
In Mutual Funds - Unquoted		
NIL Units (31st March 2025 : 13,096.612 Units) In SBI Liquid Fund Regular Growth	-	52,592.40
Total :	-	52,592.40

a) Refer Note no 41 for determination of Fair values

11 TRADE RECEIVABLES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Considered Good - Unsecured	**816,851.21**	317,015.31
Credit Impaired	**-**	-
Less : Allowances for credit losses	**-**	-
	816,851.21	317,015.31
Total :	**816,851.21**	317,015.31

Notes

i) No Trade receivable are due from directors or other officers of the company either severally or jointly with any other person

ii) Includes receivables from related parties (Refer note no. 34)

iii) Trade receivable are non interest bearing and are generally on terms of 30 to 60 days

iv) The above amount of trade receivable is net off certain advances received from customers amounting to Rs. 125,999.65 Thousand (in 31st March 2025 : ₹ NIL Thousands)

Trade Receivables ageing schedule :

(In ₹ Thousands)

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
31st March, 2026							
i) Undisputed Trade Receivables - considered good	**-**	**816,851.21**	**-**	**-**	**-**	**-**	**816,851.21**
ii) Undisputed Trade Receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
iii) Undisputed Trade Receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
iv) Disputed Trade Receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
v) Disputed Trade Receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
vi) Disputed Trade Receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total :	**-**	**816,851.21**	**-**	**-**	**-**	**-**	**816,851.21**
31st March, 2025							
i) Undisputed Trade Receivables - considered good	-	317,015.31	-	-	-	-	317,015.31
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total :	-	317,015.31	-	-	-	-	317,015.31

12 CASH AND BANK BALANCES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents :		
Balances with banks		
In Cash Credit account[(a)]	**4,799.96**	1,124.04
In Current account	**0.42**	1.25
Total :	**4,800.38**	1,125.29

(a) The Company has availed working capital facility from bank in the form of Cash Credit. The bank has waived the requirement to submit quarterly statements with bank with regards to securities provided against such working capital facility on periodic basis.

13 OTHER FINANCIAL ASSETS (CURRENT)

(Unsecured, good)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Security deposits	**95.94**	95.94
Interest accrued on other deposits	**-**	2.99
Government Grants[(a)]	**112.44**	-
Total :	**208.38**	98.93

(a) Includes receivable against RodTep schemes of Export incentive. There are no unfulfilled conditions or other contingencies attached to said government grants

14 OTHER CURRENT ASSETS :

(Unsecured, good)

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**31,323.63**	83,492.12
Prepaid expenses	**1,086.64**	1,430.07
Advances to suppliers	**1,668.56**	1,122.60
Excess Funding of Liability for Employees Group Gratuity	**209.67**	156.18
Total :	**34,288.50**	86,200.97

15 EQUITY SHARE CAPITAL :

(In ₹ Thousands)

			As at 31st March, 2026	As at 31st March, 2025
Authorised				
75,000,000	(75,000,000)	Equity shares of ₹ 10/- each	**750,000.00**	750,000.00
Issued, Subscribed and fully paid-up				
69,088,330	(69,088,330)	Equity shares of ₹ 10/- each, fully paid-up	**690,883.30**	690,883.30
Total issued, subscribed and fully paid-up share capital :			**690,883.30**	690,883.30

(a) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	**As at 31st March, 2026**		As at 31st March, 2025	
	Nos.	**In ₹ Thousands**	Nos.	In ₹ Thousands
Balance at the beginning of the year	**69,088,330**	**690,883.30**	69,088,330	690,883.30
Add : Shares Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**69,088,330**	**690,883.30**	69,088,330	690,883.30

(c) Details of shares held by the Holding Company

Name of Shareholder	**As at 31st March, 2026**		As at 31st March, 2025	
	Nos.	**In ₹ Thousands**	Nos.	In ₹ Thousands
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited#	**69,088,330**	**690,883.30**	69,088,330	690,883.30
	69,088,330	**690,883.30**	69,088,330	690,883.30

including the shares held through nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	**As at 31st March, 2026**		As at 31st March, 2025	
	Nos.	**% of holding**	Nos.	% of holding
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited, the Holding Company#	**69,088,330**	**100**	69,088,330	100
	69,088,330	**100**	69,088,330	100

including the shares held through nominees

(e) Shares held by Promoters at the end of the year

Promoter Name	As at 31st March, 2026		% change during the year
	No. of shares	% of total shares	
Bharat Forge Limited, the Holding Company#	**69,088,330**	**100**	**0.00%**

Including shares held through Nominees

Promoter Name	As at 31st March, 2025		% change during the year
	No. of shares	% of total shares	
Bharat Forge Limited, the Holding Company#	69,088,330	100	0.00%

Including shares held through Nominees

16 OTHER EQUITY :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings in the statement of profit and loss#		
Balance as per the last financial statements	**175,605.81**	118,201.04
Add:		
- Net Profit for the year	**65,682.37**	57,450.53
- Items of Other Comprehensive Income		
1) Re-measurement of Defined Benefit obligations	**23.97**	(45.76)
Closing balance	**241,312.15**	175,605.81

Surplus in the statement of profit and loss represents the undistributed profits of the Company accumulated as on balance sheet date.

17 PROVISIONS (NON-CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits:		
Provision for Compensated Absences (Refer note no. 32)	**1,070.22**	365.91
Total :	**1,070.22**	365.91

18 DEFERRED TAX LIABILITY (NET) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Assets		
Timing differences for		
Disallowances	**-**	-
Less : Deferred Tax Liabilities		
Timing differences for		
Depreciation	**(605.00)**	(10,253.00)
Total :	**(605.00)**	(10,253.00)

19 TRADE PAYABLES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises	**3,712.78**	1,786.15
Dues to other than micro enterprises and small enterprises	**437,731.19**	83,017.45
Total :	**441,443.97**	84,803.60

Notes

i) Trade payables are non-interest bearing and are generally settled on 30 to 60 days terms

ii) Includes payable to related parties (Refer note no. 34)

Trade payables ageing schedule :

(In ₹ Thousands)

	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31st March, 2026								
i) MSME	-	**(1,034.18)**	**(2,378.73)**	-	**(299.87)**	-	-	**(3,712.78)**
ii) Other than MSME	-	**(43,214.30)**	**(155,423.13)**	**(236,708.40)**	**(2,163.92)**	**(72.11)**	**(149.33)**	**(437,731.19)**
iii) Disputed dues to MSME	-	-	-	-	-	-	-	-
iv) Disputed dues to Other than MSME	-	-	-	-	-	-	-	-
Total :	-	**(44,248.48)**	**(157,801.86)**	**(236,708.40)**	**(2,463.79)**	**(72.11)**	**(149.33)**	**(441,443.97)**
31st March, 2025								
i) MSME	-	(1,200.05)	(582.88)	(3.22)	-	-	-	(1,786.15)
ii) Other than MSME	-	(26,031.07)	(55,013.03)	(824.13)	(77.78)	(916.45)	(154.99)	(83,017.45)
iii) Disputed dues to MSME		-	-	-	-	-	-	-
iv) Disputed dues to Other than MSME		-	-	-	-	-	-	-
Total :	-	(27,231.12)	(55,595.91)	(827.35)	(77.78)	(916.45)	(154.99)	(84,803.60)

20 OTHER FINANCIAL LIABILITIES (CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
At Amortised Cost		
Security deposit	**13,153.85**	13,170.45
Total :	**13,153.85**	13,170.45

21 OTHER CURRENT LIABILITIES :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	**2,206.92**	1,456.85
Advance from customer	**43.20**	26.17
Other liabilities#	**96.65**	68.51
Total :	**2,346.77**	1,551.53

Includes interest payable to MSMEs

22 PROVISIONS (CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits:		
Provision for Compensated Absences (Refer note no. 32)	**47.88**	34.12
Total :	**47.88**	34.12

23 TAX LIABILITIES (CURRENT) :

(In ₹ Thousands)

	As at 31st March, 2026	As at 31st March, 2025
Income Tax Liabilities	**-**	1,889.49
Total :	**-**	1,889.49

24 REVENUE FROM OPERATIONS :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Sale of Product		
Sale of goods	**154,470.28**	570.19
Tooling Income	**309,968.40**	-
Sale of services		
Jobwork charges	**827,003.53**	575,225.30
Other operating revenue		
Sale of manufacturing scrap	**18,661.95**	13,553.36
Sale of other material and Scrap	**2,786.45**	2,880.46
Total :	**1,312,890.61**	592,229.31
Disaggregate revenue information :		
The table below presents disaggregated revenues from contracts with customers by geographical segments and contract type.		
Revenue by geographical segments :		
Within India	**993,142.43**	592,229.31
Outside India	**319,748.18**	-
Total :	**1,312,890.61**	592,229.31
Revenue by contract type :		
Fixed price contracts	**1,312,890.61**	592,229.31
Time and material contracts	**-**	-
Total :	**1,312,890.61**	592,229.31

25 OTHER INCOME :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on bank deposit	**3.41**	3.22
Interest on other deposits	**6.24**	5.68
Government Grant	**266.76**	-
Rent	**114.20**	94.20
Net (loss) / gain on fair valuation of financials instruments (FVTPL)	**(595)**	595
Net gain on sale of financial instruments	**3,604**	-
Exchange difference	**16,311**	
Miscellaneous income	**62.01**	92.00
Total :	**19,773.17**	790.10

26 COST OF RAW MATERIAL AND COMPONENTS CONSUMED :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventories at the beginning	-	-
Add: Purchases during the year	477,620.37	-
Less: Inventories at close	23,114.71	-
	454,505.66	-

27 (INCREASE)/DECREASE IN INVENTORIES OF WORK-IN-PROGRESS :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventories at the close of the year		
Finished Goods	39,988.76	-
Work-in-progress	4,995.54	21,709.28
	44,984.30	21,709.28
Inventories at the beginning of the year		
Finished Goods	-	-
Work-in-progress	21,709.28	4,797.51
	21,709.28	4,797.51
Total :	(23,275.02)	(16,911.77)

28 EMPLOYEE BENEFIT EXPENSES :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Salaries and Wages	69,320.11	37,156.09
Contributions to		
- Provident fund and Other fund / scheme	3,111.70	1,739.62
- Gratuity	524.02	200.52
Staff Welfare Expenses	18,842.65	14,162.81
Total :	91,798.48	53,259.04

29 FINANCE COSTS :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on lease liabilities (Refer note no. 35)	26,359.25	17,287.39
Interest on income tax	53.97	66.00
Other interest	2,429.08	220.28
Total :	28,842.30	17,573.67

30 DEPRECIATION & AMORTISATION EXPENSE :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation on property, plant and equipment	**57,156.15**	56,246.26
Depreciation on right-of-use assets	**79,351.80**	43,990.15
Total :	**136,507.95**	100,236.41

31 OTHER EXPENSES :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Consumption of stores, spares and tools	**193,760.70**	113,198.79
Labour and processing charges	**108,186.49**	77,800.63
Power and fuel	**151,262.11**	91,842.94
Repairs and maintenance		
- Building	**48.36**	-
- Plant and machinery	**22,692.52**	22,848.06
- Other	**1,653.31**	1,691.11
Rent (Refer note no. 35)	**24.00**	24.00
Rates and taxes	**1,947.53**	2,913.23
Insurance	**1,133.64**	1,160.98
Legal and professional fees	**1,419.96**	1,099.79
Packing material	**53,480.35**	32,640.61
Freight and forwarding charges	**2,557.12**	24.00
Security expenses	**5,662.43**	5,353.97
Bank Charges and Commission	**79.35**	63.50
Travelling and conveyance	**1,978.33**	2,034.05
Payment to Auditors (Refer note below)	**611.78**	600.00
Corporate Social Responsibility (Refer Note 46)	**2,076.86**	1,310.00
Miscellaneous expenses#	**9,770.10**	6,612.41
Total :	**558,344.95**	361,218.06

Miscellaneous expenses include travelling expenses, printing, stationery, postage, telephone expenses etc.

Payments to Auditors (Exclusive of GST) :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
As auditor	**425.00**	425.00
As tax auditor	**125.00**	125.00
Other income tax matters	**50.00**	50.00
Total :	**600.00**	600.00

32 DISCLOSURE PURSUANT TO IND AS 19 ON "EMPLOYEE BENEFITS"

(a) Defined contribution plans :

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the funds. The Company recognized **₹ 2,337.43 Thousands** (Previous Year: ₹ 1,343.06 Thousands) for the provident fund contributions in the statement of profit and loss. The contributions payable to this plan by the Company are at the rates specified in respective legislations.

(b) Gratuity plan :

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

The gratuity benefits are governed by the Code on Social Security, 2020. Every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age as defined in Code on Social Security, 2020. Every permanent employees who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Code on Social Security, 2020. The Plan is funded as on the valuation date.

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a) Asset-Liability Mismatch risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	Year ended 31st March, 2026	Year ended 31st March, 2025
Mortality table	IALM 2012-14 Ult	IALM 2012-14 Ult
Discount rate	7.90%	6.80%
Expected rate of return on plan assets	6.80%	7.20%
Salary Growth Rate	8.00%	7.00%
Expected average remaining working lives (in years)*	21.77*	14.06*
Withdrawal rate		
Age up to 30 years	1.00%	5.00%
Age 31 - 40 years	1.00%	5.00%
Age 41 - 50 years	1.00%	5.00%
Age 50 years and above	1.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the beginning of the year	**612.02**	325.69
Interest expense	**41.62**	23.45
Past service cost*	**135.94**	-
Current service cost	**417.24**	219.14
Benefits (paid)	**-**	-
Remeasurements on obligation [Actuarial (Gain) / Loss]	**(33.04)**	43.74
Present value of obligation as at the end of the year	**1,173.78**	612.02

* Change in salary structure due to wage code revision.

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Fair value of plan assets at the beginning of the year	**768.21**	424.94
Interest Income	**70.78**	42.07
Contributions	**545.46**	318.61
Benefits paid	**-**	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	**(1.00)**	(17.41)
Fair value of plan assets at the end of the year	**1,383.45**	768.21
Actual return on plan assets	**69.79**	24.65

Net Interest (Income/Expense) (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest (Income) / Expense – Obligation	**41.62**	23.45
Interest (Income) / Expense – Plan assets	**(70.78)**	(42.07)
Net Interest (Income) / Expense for the period	**(29.16)**	(18.62)

Remeasurement for the period [Actuarial (Gain)/loss] (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Experience (Gain) / Loss on plan liabilities	**(14.87)**	13.46
Demographic (Gain) / Loss on plan liabilities	**14.82**	-
Financial (Gain) / Loss on plan liabilities	**(32.98)**	30.28
Experience (Gain) / Loss on plan assets	**(3.17)**	15.66
Financial (Gain) / Loss on plan assets	**4.16**	1.75

Amount recognised in Statement of Other Comprehensive Income (OCI)

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening amount recognised in OCI outside profit and loss account	**57.68**	(3.47)
Remeasurement for the period-Obligation (Gain)/Loss	**(33.04)**	43.74
Remeasurement for the period-Plan assets (Gain)/Loss	**0.99**	17.41
Total Remeasurement cost/(credit) for the period recognised in OCI	**(32.05)**	61.15
Closing amount recognised in OCI outside profit and loss account	**25.63**	57.68

The amounts to be recognised in the Balance Sheet (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the end of the period	**(1,173.78)**	(612.03)
Fair value of plan assets as at the end of the period	**1,383.45**	768.21
Net Asset / (liability) to be recognised in balance sheet	**209.67**	156.18

Expense recognised in the statement of profit and loss (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current service cost	**417.24**	219.14
Past service cost	**135.94**	-
Net Interest (Income) / Expense	**(29.16)**	(18.62)
Net periodic benefit cost recognised in the statement of profit and loss	**524.02**	200.52

Reconciliation of Net Asset/(Liability) recognised: (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Net asset / (liability) recognised at the beginning of the period	**156.18**	99.25
Company contributions	**545.46**	318.61
Expense recognised at the end of period	**(524.02)**	(200.53)
Amount recognised outside profit & loss for the period	**32.04**	(61.15)
Net asset / (liability) recognised at the end of the period	**209.67**	156.18

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Funds managed by insurer	**100%**	100%

Sensitivity analysis

Impact of change in discount rate when base assumption is decreased/increased by 100 basis points

(In ₹ Thousands)

Particulars		Present value of obligation	
	Discount rate	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in discount rate by 100 basis points	**8.90%**	**984.45**	540.47
Decrease in discount rate by 100 basis points	**6.90%**	**1,411.66**	699.01

Impact of change in salary growth rate when base assumption is decreased/increased by 100 basis points

(In ₹ Thousands)

Particulars		Present value of obligation	
	Salary growth rate	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in salary growth rate by 100 basis points	**9.00%**	**1,396.05**	691.48
Decrease in salary growth rate by 100 basis points	**7.00%**	**992.22**	545.07

Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis points

33 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is engaged in the business of manufacturing of machined components; which in the context of Indian Accounting Standard 108 'Segment Information' represent single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

34 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

a. Holding Company : Bharat Forge Limited

b. Key Managerial Personnel :

i) Mr. Kedar Prakash Dixit - Director@

ii) Mr. Sadashiv Bapusaheb Patil - Director@

iii) Mr. Sameer Paranjape - Chief Financial Officer@

iv) Mr. Sanjay Agrawal - Director & Chief Executive Officer@

v) Mr. Ajitkumar Jain - Director@(Appointed w.e.f. 9th May, 2024)

vi) Mr. Vedant Somani - Company Secretary@ (Appointed w.e.f. 24th April, 2023 and resigned w.e.f. 21st October, 2024)

vii) Mr. Tanmay Pethkar - Company Secretary@ (Appointed w.e.f. 21st January, 2025 and resigned w.e.f. 9th January, 2026)

@ On deputation from Bharat Forge Limited, the Holding Company

c. Other related parties

(Enterprises owned or significantly influenced by key management personnel or their relatives) Saarloha Advanced Materials Pvt Ltd

(ii) Related parties with whom transactions have taken place during the period

(In ₹ Thousands)

Nature of transaction	Name of the related parties and nature of relationships	Note	As at 31st March, 2026	As at 31st March, 2025
Sale of Scrap	**Enterprises significantly influenced by the Holding Company**	(a)		
	Saarloha Advanced Materials Pvt Ltd		**18,615.00**	13,523.76
Sale of services (net of GST)	**Holding Company**	(a)		
	Bharat Forge Limited		**827,003.53**	575,225.30
Rent received for use of office premises	**Holding Company**	(b)		
	Bharat Forge Limited		**94.20**	94.20
Rent paid for use of premises	**Holding Company**	(b)		
	Bharat Forge Limited		**24.00**	24.00

(In ₹ Thousands)

Nature of transaction	Name of the related parties and nature of relationships	Note	As at 31st March, 2026	As at 31st March, 2025
Rent paid for use of machinery	**Holding Company**			
	Bharat Forge Limited	(b)	**76,858.75**	34,744.25
Reimbursement of expenses paid	**Holding Company**	(c)		
	Bharat Forge Limited		**39,408.72**	28,467.32
Reimbursement of expenses received	**Holding Company**	(c)		
	Bharat Forge Limited		**-**	4,983.65
Reimbursement of Capital Expenditure (net of GST)	**Holding Company**	(d)		
	Bharat Forge Limited		**39,404.39**	-
Purchase of other material (net of GST)	**Holding Company**	(e)		
	Bharat Forge Limited		**539,643.79**	37,691.20

Notes

(a) Sale of services, spares and manufacturing scrap to related parties are in the ordinary course of business and the same have been made at arm's length price and are subject to normal credit terms.

(b) Rent paid to related party is in the ordinary course of business.

(c) Expenses incurred by related parties on behalf of the Company are reimbursable at cost on demand.

(d) The Company has purchased property, plant and equipment from the related party at an arm's length price.

(e) During the current year the Holding Company has agreed to reimbursed all the Capital expenditure incurred by the Company in connection to installation and preparation of other peripheral infrastructure for plant and machinery leased by the Holding Company.

(f) The Company has purchased spares, tools etc. from the related party at an arm's length price.

(iii) Balances outstanding

(In ₹ Thousands)

Nature	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
Trade payables	**Holding Company**		
	Bharat Forge Limited	**300,195.45**	4,882.49
Trade Receivables	**Holding Company**		
	Bharat Forge Limited	**414,314.29**	315,690.77
	Enterprises significantly influenced by the Holding Company		
	Saarloha Advanced Materials Pvt Ltd	**910.41**	649.71
Other Payables	**Holding Company**		
	Bharat Forge Limited	**4,019.38**	2,673.77

35 LEASES :

Company as lessee

The Company has lease contracts for land and building used in its operations. Lease of land and building have lease term of ten years.

The Company also has lease contract for the plant and machinery. The lease of plant and machinery have lease term ranging from four years to seven years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further mentioned below:

Below are the carrying amounts of right-of-use assets recognised and the movements during the period :

(In ₹ Thousands)

	Land and building	Plant and equipment	Total
As at 31st March, 2024	97,142.01	147,009.73	244,151.74
Additions	-	-	-
Adjustment	-	-	-
Depreciation	(16,876.18)	(27,113.97)	(43,990.15)
As at 31st March, 2025	**80,265.83**	**119,895.76**	**200,161.59**
Additions	-	**212,606.46**	**212,606.46**
Adjustment	-	-	-
Depreciation	**(16,876.18)**	**(62,475.62)**	**(79,351.80)**
As at 31st March, 2026	**63,389.65**	**270,026.60**	**333,416.25**

Below are the carrying amounts of lease liabilities and the movements during the period :

(In ₹ Thousands)

	Land and building	Plant and equipment	Total
Balance at 31st March, 2024	79,244.44	155,234.99	234,479.43
Additions	-	-	-
Accretion of Interest	6,680.43	10,606.95	17,287.38
Adjustment	-	-	-
Payments	(17,700.00)	(34,744.25)	(52,444.25)
Balance at 31st March, 2025	68,224.87	131,097.69	199,322.56
Additions	-	**212,606.46**	**212,606.46**
Accretion of Interest	**5,646.73**	**20,712.54**	**26,359.27**
Adjustment	-	-	-
Payments	**(17,700.00)**	**(76,946.90)**	**(94,646.90)**
Balance at 31st March, 2026	**56,171.60**	**287,469.79**	**343,641.39**
Current	**13,183.96**	**76,993.23**	**90,177.19**
Non - Current	**42,987.64**	**210,476.56**	**253,464.20**

The following are the amounts recognised in profit or loss: (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation expense of right-of-use assets	**79,351.80**	43,990.15
Interest expense on lease liabilities	**26,359.25**	17,287.39
Expense relating to leases of low-value assets	**24.00**	24.00
Total amount recognised in Statement of profit and loss	**105,735.05**	61,301.54

The Company had total cash outflows for leases of ₹ 94,670.90 Thousands (Previous Year : ₹ 52,468.25 Thousands). The Company had non-cash addition of ₹ 2,12,606.46 (31st March, 2025: Nil) to right-of-use assets and lease liabilities.

36 EARNINGS PER SHARE (EPS) :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Numerator for basic and diluted EPS		
Profit for the period attributable to shareholders as at 31st March (In ₹ Thousands)	**65,682.37**	57,450.53
Weighted average number of equity shares in calculating basic EPS	**69,088,330**	69,088,330
EPS - Basic (in ₹)	**0.95**	0.83
EPS - Diluted - (in ₹)	**0.95**	0.83

37 COMMITMENTS :

(In ₹ Thousands)

		Year ended 31st March, 2026	Year ended 31st March, 2025
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**13,089.62**	832.60
b)	For commitments relating to lease agreements, Please refer note no. 35		
	Total :	**13,089.62**	832.60

38 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Principal amount due to suppliers under MSMED Act, 2006 * [Includes dues to payable for capital goods amounting to ₹ Nil (31st March, 2025: ₹ Nil)]	**3,712.78**	1,786.15
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	**28.14**	1.13
The amount of interest paid to the supplier beyond the appointed day	**-**	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	**11,072.58**	10,764.16
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	**-**	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	**-**	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	**28.14**	28.62
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	**96.65**	68.51

39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

A) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has a few lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company

uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

B) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plans and other post-employment plans 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 40 and 41 for further disclosures.

4) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

5) Provision for inventories

The management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete

slow-moving items and net realisable value. The management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

6) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon ascertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availability of adequate taxable income within the time permissible as per the taxing legislations.

7) Current / Non-Current Classification

The Company evaluates funds requirement on the basis of internal budgets and forecasts and believes that on the basis of current scale of operations and cash realisation cycle, it would be able to generate sufficient funds from operations in order to meet such requirement in the foreseeable future of up to one year.

40 FINANCIAL INSTRUMENTS BY CATEGORY :

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities :

(In ₹ Thousands)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
Financial assets				
Measured at Fair Value				
Investment in Mutual Funds - Unquoted	**-**	52,592.40	**-**	52,592.40
Investments in Equity Shares	**12,936.25**	12,936.25	**12,936.25**	12,936.25
Measured at amortised costs				
Other non-current financial assets	**61.49**	58.08	**61.49**	58.08
Trade receivable	**816,851.21**	317,015.31	**816,851.21**	317,015.31
Cash and cash equivalents	**4,800.38**	1,125.29	**4,800.38**	1,125.29
Other current financial assets	**208.38**	98.93	**208.38**	98.93
Total :	**834,857.71**	383,826.26	**834,857.71**	383,826.26
Financial liabilities				
Measured at amortised costs				
Lease liabilities	**343,641.39**	199,322.56	**343,641.39**	199,322.56
Trade payables	**441,443.97**	84,803.60	**441,443.97**	84,803.60
Other current financial liabilities	**13,153.85**	13,170.45	**13,153.85**	13,170.45
	798,239.21	297,296.61	**798,239.21**	297,296.61

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

41 FAIR VALUE HIERARCHY :

(In ₹ Thousands)

	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets for which fair value has been disclosed					
i) Investment in Mutual Funds	31-Mar-26	-	-	-	-
ii) Investments in Equity Shares	31-Mar-26			12,936.25	12,936.25
Liabilities for which fair value has been disclosed					
Liabilities	31-Mar-26	-	-	-	-
Assets for which fair value has been disclosed					
i) Investment in Mutual Funds	31-Mar-25	52,592	-	-	52,592
ii) Investments in Equity Shares	31-Mar-25	-	-	12,936	12,936
Liabilities for which fair value has been disclosed					
Liabilities	31-Mar-25	-	-	-	-

42 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's senior management provides assurance for the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk :

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2026 and 31st March, 2025 including the effect of hedge accounting (if any).

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Following analysis has been worked out based on the net exposures of the Company as of the date balancesheet which could affect the statement of profit and loss and Other comprehensive Income and Equity.

(In ₹ Thousands)

	Foreign Currency	As at 31st March, 2026		As at 31st March, 2025	
		Foreign Currency	₹	Foreign Currency	₹
Financial Assets	**USD**	**2,711.82**	**257,189.35**	-	-
Financial Liabilities	**USD**	**-**	**-**	-	-

The Company does not hedges its exposure to fluctuations on the translation into INR of its foreign operations.

Foreign Currency Sensitivity : **(In ₹ Thousands)**

	Change in USD Rate	Effect on profit before tax due to change in USD Rate	Effect on equity pre-tax due to change in USD Rate
31st March, 2026	**5%**	**12,859.47**	**12,859.47**
	-5%	**(12,859.47)**	**(12,859.47)**
31st March, 2025	**5%**	**-**	-
	-5%	**-**	-

b) Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

i) Trade Receivables :

Customer credit risk is managed by the Company's established policy, procedures and control relating to

customer credit risk management. Further, currently Company's customers mainly includes its, Holding Company. Outstanding customer receivables are regularly monitored and reconciled. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low.

ii) Financial instruments and cash deposits :

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c) Liquidity risk :

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(In ₹ Thousands)

	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2026				
Lease liabilities	**90,177.17**	**253,464.20**	**-**	**343,641.37**
Trade payables	**441,443.97**			**441,443.97**
Security deposit	**217.60**	**12,936.25**		**13,153.85**
	531,838.74	**266,400.45**	**-**	**798,239.19**
As at 31st March, 2025				
Lease liabilities	38,064.42	161,258.14	-	199,322.56
Trade payables	84,803.60	-	-	84,803.60
Security deposit	234.20	12,936.25	-	13,170.45
	123,102.22	174,194.39	-	297,296.61

43 RATIO ANALYSIS

Sr. No.	Particulars	Numerator	Denominator	31st March 2026	31st March 2025	% change
				%	%	
1	Current Ratio [Refer Note No (a)]	Current Assets	Current Liabilities	**1.88**	4.02	-114.08%
2	Return on Equity Ratio	Profit/(Loss) for the year	Average shareholders' equity	**7.30**	6.86	6.11%
3	Inventory Turnover Ratio [Refer Note No (b)]	Cost of goods sold	Average Inventory	**4.57**	1.20	73.67%
4	Trade Receivables Turnover Ratio	Revenue	Average trade receivable	**2.32**	1.96	15.54%
5	Trade Payables Turnover Ratio	Purchases + Other expenses	Average trade payables	**3.85**	4.65	-20.83%
6	Net Capital Turnover Ratio [Refer Note No (b)]	Revenue	Working capital (Current Assets-Current liabilities)	**2.74**	1.41	48.62%
7	Net Profit Ratio [Refer Note No (c)]	Profit for the year	Revenue	**5.00**	9.70	-93.90%
8	Return on Capital Employed	Earning before interest and taxes	Capital Employed (Net Worth + Deferred tax liabilities + Lease liabilities)	**8.99**	8.85	1.60%

a) There has been a significant increase in the trade payables during the year, Hence current ration has been deteriorated

b) There is major increase in the cost of goods sold during the year due to increase in the sales, Hence the Inventory Turnover Ratio and Net Capital Turnover Ratio has been changed.

c) The company has achieved growth in the revenue from new development of dies but proportionately due to die development cost of goods sold also increased during the year. Hence the ratio related to the same has changed significantly.

44 DISCLOSURE PURSUANT TO IND AS 115 ON "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a) Trade receivables and Contract balances :

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on completion of the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended **31st March, 2026 Rs. NIL** (Previous Year : Rs. NIL) of unbilled revenue pertaining to fixed price development contracts has been reclassified to Trade receivables upon billing to customers on completion of contracts.

b) Changes in Contract Assets during the year ended 31st March, 2026 Rs. NIL (Previous Year : Rs. NIL)

c) Changes in Contract Liabilities during the year ended 31st March, 2026 Rs. NIL (Previous Year : Rs. NIL)

d) Performance obligations and remaining performance obligations :

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

Reconciliation for revenue as per Statement of profit & loss and the contracted price arising on account of various adjustments:

(In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue recognised as per Statement of Profit & loss		
Sale of Product	**503,502.54**	570.19
Sale of services	**827,003.53**	575,225.30
Other operating revenue	**21,448.40**	16,433.82
	1,351,954.47	592,229.31
Add/Less: Adjustments (Sales Return, discount etc.)	**(39,063.86)**	-
Contract Price	**1,312,890.61**	592,229.31

45 INCOME AND DEFERRED TAXES :

a) The major components of income tax expense for the year ended 31st March 2026 and 31st March 2025 are :

Statement of profit and loss : (In ₹ Thousands)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current income tax		
Current income tax charge	**29,941.07**	21,467.61
Taxation for earlier year	**(19.85)**	(25.93)
Deferred tax		
Relating to origination and reversal of temporary differences	**(9,656.07)**	(1,263.61)
Income tax expense reported in the statement of profit and loss	**20,265.15**	20,178.07

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2026 and 31st March 2025 are :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Accounting profit before tax	**85,939.46**	77,643.98
At India's enacted tax rate of 25.17% (31st March 2024 : 25.17%)	**21,631.00**	19,543.00
Deferred tax savings on current year accounting loss	**-**	-
Tax effect of non-deductible expenses	**-**	1,954.00
Tax effect of earlier years	**(1,399.38)**	(25.93)
Tax effect due to change in the rates	**-**	-
Deferred tax not recognised on prudence basis	**-**	-
Deferred tax savings in respect of tax disallowances of earlier year	**-**	(1,279.00)
Other effects	**33.53**	(14.00)
At the effective income tax rate	**20,265.15**	20,178.07
Income tax expense reported in the statement of profit and loss	**20,265.15**	20,178.07

c) Reconciliation of deferred tax (liabilities)/Asset (net)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening balance	**(10,253.00)**	(11,532.00)
Tax income/(expense) during the period recognised in profit or loss	**9,648.00**	1,279.00
Closing balance	**(605.00)**	(10,253.00)

46 CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted a CSR Policy in accordance with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

(In ₹ Thousands)

		Year ended 31st March, 2026	Year ended 31st March, 2025
(a)	Amount required to be spent by the Company during the year	**1,756.35**	1,307.51
(b)	Amount spent during the year	**2,076.86**	1,310.00
(c)	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	**-**	-
(d)	Contributed to funds specified under Schedule VII	**-**	-
(e)	The total of previous years shortfall amounts	**-**	-

47 OTHER STATUTORY INFORMATION :

(a) In the opinion of the Directors, all the current assets have been stated in the balance sheet at least at a value at which those are expected to be realised in the ordinary course of business. The Directors also have to state that adequate provisions have been made in the accounts, in respect of all known, quantified and ascertained liabilities and none of the liabilities or provisions are in the nature of reserve.

(b) There is no proceeding initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(e) During the year ended 31st March, 2026, the Company was not party to any approved scheme which needs approval from competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

(f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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

(g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and accordingly the Company has feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account. The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software used for maintaining the books of account relating to financial reporting process, property plant and equipment, purchase to payables and revenue to receivables throughout the year. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

During the current year audit trail has been preserved by the company as per the statutory requirements for record retention..

(h) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our attached report of even date,
For P V Deo & Associates LLP,
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187
UDIN : 26160187ZANNUN3342

Place : Pune
Date : 05th May, 2026

On behalf of the Board of Directors of
Kalyani Centre for Precision Technology Limited,

Kedar Dixit
Director
DIN: 07055747

Sanjay Agrawal
Additional Director and CEO
DIN: 10425145

Sameer Paranjape
Chief Financial Officer

Place : Pune
Date : 05th May, 2026

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Kalyani Lightweighting Technology Solutions Limited

Registered Office

S.No. 49 Industry House, Opp. Kalyani Steels Ltd, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Kalyani Lightweighting Technology Solutions Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Kalyani Lightweighting Technology Solutions Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the period ended to 31st March, 2026, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financials statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures made in Note no. 19 of the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g).

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification related to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) and paragraph 2(B)(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules 2014.

g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility for the financial year. The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail. Consequently, we are unable to comment on audit trail feature of the said software as well as its capabilities of preservation of records as per the statutory requirement for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Hrushikesh Kulkarni
Partner
Membership No. 160187
UDIN : 26160187BODGLH2610

Place : Pune
Date : 24th April, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI LIGHTWEIGHTING TECHNOLOGY SOLUTIONS LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company does not have any Property, Plant and Equipment as on 31st March, 2026. Hence, paragraph 3(i)(a)(A) of the Order is not applicable to the Company.

(B) The Company does not have any Intangible Assets as on 31st March, 2026. Hence, paragraph 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company does not have any Property, Plant and Equipment as on 31st March, 2026. Hence, paragraph 3(i)(b) of the Order is not applicable to the Company.

(c) The Company does not own any immovable properties.

(d) The Company does not have any Property, Plant and Equipment (including right-of-use assets) and intangible assets. Hence, paragraph 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As explained to us, the Company was not required to hold any inventories during the period covered by this report. Hence, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties.

(iv) The Company has neither given any loan to any person or other body corporate nor given any guarantee or provided security in connection with a loan to any other body corporate or person. Similarly, the Company has also not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed, there under.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company.

(vii) (a) According to the records of the Company, the Company does not have any undisputed statutory dues including Goods and Services Tax, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us by the Management, the provisions of The Code on Wages, 2019 and the Code on Social Security, 2020 do not apply to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues were outstanding as at 31st March, 2026 for a period of more than six months from the date those became payable.

(b) According to the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not taken any loans or other borrowing Hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) (a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) No report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, the Company has not entered into any transactions with the related parties in contravention of the provisions of section 188 of the Companies Act, 2013. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Provisions of section 177 of the Act do not apply to the Company.

(xiv) The provisions of section 138 of the Companies Act, 2013 do not apply to the Company and no internal audit was carried out during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities requiring a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the group. The group has Two CIC's as a part of the Groups.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report.

(In ₹ Hundreds)

	FY 2025-26	FY 2024-25
Cash losses incurred	**1,315.00**	839.00

(xviii) There has been no resignation by the statutory auditors of the Company during the year.

(xix) On the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us and willingness expressed by Holding Company to continue to provide financial support to the Company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Hrushikesh Kulkarni
Partner
Membership No. 160187
UDIN : 26160187BODGLH2610

Place : Pune
Date : 24th April, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI LIGHTWEIGHTING TECHNOLOGY SOLUTIONS LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

We have audited the internal financial controls over financial reporting of **Kalyani Lightweighting Technology Solutions Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Hrushikesh Kulkarni
Partner
Membership No. 160187
UDIN : 26160187BODGLH2610

Place : Pune
Date : 24th April, 2026

Balance Sheet

as at 31st March, 2026

(In ₹ Hundreds)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
	a) Other Non current assets	3	**642.42**	407.16
2	**Current assets**			
	a) Financial assets			
	i) Cash and Bank Balances	4	**40.00**	40.00
			40.00	40.00
	TOTAL :		**682.42**	447.16
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	a) Equity share capital	5	**100.00**	100.00
	b) Other equity	6	**(3,953.58)**	(2,638.58)
			(3,853.58)	(2,538.58)
2	**Current liabilities**			
	a) Financial Liabilities			
	i) Trade payables	7		
	Total outstanding dues of micro enterprises and small enterprises		**-**	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**4,461.00**	2,910.74
	b) Other current liabilities	8	**75.00**	75.00
			4,536.00	2,985.74
	TOTAL :		**682.42**	447.16
Significant accounting policies and notes forming an integral part of the financial statements		1 to 21		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187

UDIN : 26160187BODGLH2610
Place : Pune
Date : 24th April, 2026

On behalf of the Board of Directors,
Kalyani Lightweighting Technology Solutions Limited

Kedar Dixit
Director
DIN: 07055747

Tejaswini Chaudhari
Director
DIN: 09784500

Place : Pune
Date : 24th April, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026.

(In ₹ Hundreds)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I.	**Income**			
	Revenue from operations		-	-
	Total Revenue		-	-
II.	**Expenses**			
	Other expenses	9	**1,315.00**	839.00
	Total expenses		**1,315.00**	839.00
III.	**Loss before tax**		**(1,315.00)**	(839.00)
IV.	**Tax expenses**		-	-
V.	**Loss for the year**		**(1,315.00)**	(839.00)
VI.	**Other comprehensive income**		-	-
VII.	**Total comprehensive income for the Year (V+VI)**		**(1,315.00)**	(839.00)
VIII.	**Earnings per equity share [nominal value of share ₹ 10/-]**			
	a) Basic (In ₹)	12	**(131.50)**	(83.90)
	b) Diluted (In ₹)	12	**(131.50)**	(83.90)
Significant accounting policies and notes forming an integral part of the financial statements		1 to 21		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187

UDIN : 26160187BODGLH2610
Place : Pune
Date : 24th April, 2026

On behalf of the Board of Directors,
Kalyani Lightweighting Technology Solutions Limited

Kedar Dixit
Director
DIN: 07055747

Tejaswini Chaudhari
Director
DIN: 09784500

Place : Pune
Date : 24th April, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**(In ₹ Hundreds)**	Nos.	(In ₹ Hundreds)
As at beginning of the year	**1,000**	**100.00**	1,000	100.00
Issue of equity share capital during the year	-	-	-	-
As at end of the year	**1,000**	**100.00**	1,000	100.00

b Other equity (In ₹ Hundreds)

	Retained Earnings	**Total**
Balance as at 1st April, 2024.	(1,799.58)	(1,799.58)
Add :		
Loss for the year	(839.00)	(839.00)
Other comprehensive income	-	-
Balance as at 31st March, 2025.	(2,638.58)	(2,638.58)
Add :		
Loss for the year	**(1,315.00)**	**(1,315.00)**
Other comprehensive income	**-**	**-**
Balance as at 31st March, 2026.	**(3,953.58)**	**(3,953.58)**

c Total equity (In ₹ Hundreds)

		Year ended 31st March, 2026	Year ended 31st March, 2025
Equity share capital		**100.00**	100.00
Other equity		**(3,953.58)**	(2,638.58)
	Total :	**(3,853.58)**	(2,538.58)
Significant accounting policies and notes forming an integral part of the financial statements	1 to 21		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187

UDIN : 26160187BODGLH2610
Place : Pune
Date : 24th April, 2026

On behalf of the Board of Directors,
Kalyani Lightweighting Technology Solutions Limited

Kedar Dixit
Director
DIN: 07055747

Tejaswini Chaudhari
Director
DIN: 09784500

Place : Pune
Date : 24th April, 2026

Cash Flow Statement

for the year ended 31st March, 2026.

(In ₹ Hundreds)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**			
	Loss before tax		**(1,315.00)**	(839.00)
	Operating loss before working capital changes		**(1,315.00)**	(839.00)
	Movements in working capital :			
	(Increase) / decrease in Other current Assets		**(235.26)**	(224.64)
	Increase / (decrease) in trade payables		**1,550.26**	1,048.64
	Increase / (decrease) in Other current liabilities		**-**	15.00
			1,315.00	839.00
	Cash generated from operations		**-**	-
	Direct taxes paid (net of refunds)		**-**	-
	Net cash flows from operating activities	**(A)**	**-**	-
(B)	**Cash flows from investing activities**		**-**	-
	Net cash flows used in investing activities	**(B)**	**-**	-
(C)	**Cash flows from financing activities**		**-**	-
	Net cash flows from/(used in) financing activities	**(C)**	**-**	-
(D)	**Net increase in cash and cash equivalents (A+B+C)**		**-**	-
(E)	**Cash and cash equivalents at the beginning of the year**		**40.00**	40.00
(F)	**Cash and cash equivalents at the end of the year**		**40.00**	40.00

Components of cash and cash equivalents as at

(In ₹ Hundreds)

		As at 31st March, 2026	As at 31st March, 2025
Balances with banks in current accounts		**40.00**	40.00
	TOTAL	**40.00**	40.00

Significant accounting policies and notes forming an integral part of the financial statements	1 to 21		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187

UDIN : 26160187BODGLH2610
Place : Pune
Date : 24th April, 2026

On behalf of the Board of Directors,
Kalyani Lightweighting Technology Solutions Limited

Kedar Dixit
Director
DIN: 07055747

Place : Pune
Date : 24th April, 2026

Tejaswini Chaudhari
Director
DIN: 09784500

Notes Forming Part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

Kalyani Lightweighting Technology Solutions Limited was incorporated on 12th July, 2022, as a public limited company under the Companies Act, 2013. The Company is a 100% subsidiary of Bharat Forge Limited. Corporate Identity Number of the Company is U29299PN2022PLC213002.

During the period covered by these financial statements, the Company was engaged in setting up the business of aluminum components and other components, its machining, designing and development for automotive and industrial applications. Also undertake the business of assembly, testing, integration, fabricating, forging, casting, trading, marketing, sales, providing services, spares support, after-sales support, R&D for aluminium components and other components for automotive and industrial applications.

Operating Cycle of the Company is considered to be of 12 months.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 24th April, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest hundred rupee.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 13)

b) Financial instruments (including those carried at amortized cost) (note 14)

c) Quantitative disclosures of fair value measurement hierarchy (note 15)

2.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 13.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue

of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

d) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.11.

e) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

g) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

h) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in

other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.7 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon

disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

2.9 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.10 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.11 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at

fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.12 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.13 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.14 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.15 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.16 Cash flow statement :

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.

3 OTHER NON CURRENT ASSETS

(Unsecured, Good) (In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**642.42**	407.16
TOTAL :	**642.42**	407.16

4 CASH AND BANK BALANCES : (In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents		
Balances with banks		
In current accounts	**40.00**	40.00
TOTAL :	**40.00**	40.00

5 EQUITY SHARE CAPITAL (In ₹ Hundreds)

		As at 31st March, 2026	As at 31st March, 2025
Authorised			
1,000	1,000 Equity shares of ₹ 10/- each	**100.00**	100.00
Issued, Subscribed and fully paid-up			
1,000	1,000 Equity shares of ₹ 10/- each	**100.00**	100.00
Total issued, subscribed and fully paid-up share capital :		**100.00**	100.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**(In ₹ Hundreds)**	Nos.	(In ₹ Hundreds)
Equity Shares				
At the beginning of the year	**1,000**	**100.00**	1,000	100.00
Shares issued during the year	-	**-**	-	-
Shares bought back during the year		**-**	-	-
Outstanding at the end of the year	**1,000**	**100.00**	1,000	100.00

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	% of Holding	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited, the Holding Company#	**1,000**	**100.00**	1,000	100.00
	1,000	**100.00**	1,000	100.00

Including shares held through Nominees

(d) **Shares held by Promoters at the end of the year**

Promoter Name	As at 31st March, 2026		As at 31st March, 2025		% Changes during the year
	No. of Shares	%	No. of Shares	%	
Bharat Forge Limited, the Holding Company#	**1,000**	**100.00**	1,000	100.00	-

Including shares held through Nominees

6 OTHER EQUITY

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
As per last account	**(2,638.58)**	(1,799.58)
Add :		
Loss for the Year	**(1,315.00)**	(839.00)
Other comprehensive income	**-**	-
Closing balance	**(3,953.58)**	(2,638.58)

7 TRADE PAYABLES :

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises[#] (including related party payables)	4,461.00	2,910.74
TOTAL :	**4,461.00**	2,910.74

[#]For terms and conditions relating to related party payables, refer note no. 11

Trade payables ageing schedule

	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026						
Undisputed dues to MSME	-	-	-	-	-	-
Undisputed dues to other than MSME	730.00	1,765.26	923.64	1,042.10	-	4,461.00
Disputed dues to MSME	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-
	730.00	1,765.26	923.64	1,042.10	-	4,461.00
As at 31st March, 2025						
Undisputed dues to MSME	-	-	-	-	-	-
Undisputed dues to other than MSME	675.00	1,193.64	1,042.10	-	-	2,910.74
Disputed dues to MSME	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-
	675.00	1,193.64	1,042.10	-	-	2,910.74

8 OTHER CURRENT LIABILITIES :

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	75.00	75.00
TOTAL :	**75.00**	75.00

9 OTHER EXPENSES

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Rates & taxes	**12.00**	89.00
Professional Fees	**420.00**	-
Audit Fees	**750.00**	750.00
Miscellaneous Expenses	**133.00**	
TOTAL :	**1,315.00**	839.00

Payment to auditors

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
As auditor:		
- Audit fee	**500.00**	500.00
- Income tax matters	**250.00**	250.00
TOTAL :	**750.00**	750.00

10 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company was engaged in setting up the business of manufacturing of aluminum components and other components , its machining, designing and development for automotive and industrial applications; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit/(loss) as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit/(Loss) of the sole reportable segment.

11 RELATED PARTY DISCLOSURES

(i) **Names of the related parties and related party relationship**

Holding Company : i) Bharat Forge Limited

(ii) **Related parties with whom transactions have taken place during the year**

Sr. no.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	Reimbursement of expenses paid	**Holding Company**		
	(Refer Note (a) below)	Bharat Forge Limited	**1,440.26**	923.64

(a) Reimbursement of costs paid to/received from related parties are at cost.

(b) All other transactions are in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

(iii) **Balances outstanding**

Sr. no.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	Trade payable	**Holding Company**		
		Bharat Forge Limited	**3,299.80**	1,859.54

12 EARNINGS PER SHARE (EPS) :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Numerator for basic and diluted EPS		
Loss for the year attributable to shareholders (In ₹ Hundreds)	**(1,315.00)**	(839.00)
Weighted average number of equity shares in calculating basic EPS	**1,000**	1,000
EPS - Basic (in ₹)	**(131.50)**	(83.90)
EPS - Diluted - (in ₹)	**(131.50)**	(83.90)

13 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

A) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 14 and 15 for further disclosures.

b) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

c) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is

required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon ascertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availability of adequate taxable income within the time permissible as per the taxing legislations.

d) **Current / Non-Current Classification**

The Company evaluates funds requirement on the basis of internal budgets and forecasts and believes that on the basis of current scale of operations and cash realisation cycle, it would be able to generate sufficient funds from operations in order to meet such requirement in the foreseeable future of upto one year.

14 FINANCIAL INSTRUMENTS BY CATEGORY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments :

(In ₹ Hundreds)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I) Financial assets				
Measured at amortised costs				
Cash and cash equivalents	**40.00**	40.00	**40.00**	40.00
Total	**40.00**	40.00	**40.00**	40.00
II) Financial liabilities				
Measured at amortised costs				
Trade Payables	**4,461.00**	2,910.74	**4,461.00**	2,910.74
Total	**4,461.00**	2,910.74	**4,461.00**	2,910.74

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

15 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

16 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other

price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2026 and 31st March, 2025 including the effect of hedge accounting (if any).

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company does not hedges its exposure to fluctuations on the translation into INR of its foreign operations.

Foreign Currency Sensitivity :

The Company does not have exposure to foreign currency changes as at the end of the financial year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

i) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(In ₹ Hundreds)

	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2026				
Trade payables	**4,461.00**	**-**	**-**	**4,461.00**
	4,461.00	**-**	**-**	**4,461.00**
As at 31st March, 2025				
Trade payables	2,910.74	-	-	2,910.74
	2,910.74	-	-	2,910.74

17 INCOME TAX :

a) The major components of income tax expense for the year ended 31st March 2026 and 31st March 2025 are :

Statement of profit and loss : (In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current income tax		
Current income tax charge	**-**	-
Taxation for earlier year	**-**	-
Deferred tax		
Relating to origination and reversal of temporary differences	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Accounting loss before tax	**(1,315.00)**	(839.00)
At India's enacted tax rate of 26.00%	**-**	-
Deferred tax savings on current year accounting loss	**-**	-
Tax effect of non-deductible expenses	**-**	-
Deferred tax not recognised on prudence basis	**-**	-
At the effective income tax rate of 26%	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

c) Reconciliation of deferred tax (liabilities)/Asset (net) (In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening balance	**-**	-
Tax income/(expense) during the period recognised in profit or loss	**-**	-
Closing balance	**-**	-

18 RATIO ANALYSIS :

	Numerator	Denominator	31st March, 2026	31st March, 2025	Variance %
(a) Current ratio	Current Assets	Current Liabilities	**0.01**	0.01	-34.18%
(b) Return on Equity Ratio	Profit/Loss for the year	Average shareholders' equity	**(0.41)**	(0.40)	3.92%
(c) Trade payables turnover ratio	Purchases + Other expenses	Average trade payables	**0.36**	0.35	1.48%
(d) Return on capital employed	Earning before interest and taxes	Capital Employed	**0.34**	0.33	3.25%

Notes :

(i) Since the company is in the process of setting up of business, componets affecting the ratios are not available during the current financial year, hence following rations can not be derived.

Net capital turnover ratio

Inventory Turnover Ratio

Debt Equity ratio

Debt service coverage ratio

Trade receivable turnover ratio

Return on Investment

Net profit ratio

(ii) The Company is in the setting up of the business hence the it has negative current ratio and trade payable ratio, Return on Equity Ratio.

19 GOING CONCERN

The Company has incurred losses of ₹ 1,315 Hundred (31st March, 2025 : 839 Hundred) during the year. As at 31st March, 2026, the Company's accumulated losses are ₹ 3953.58 Hundred (31st March, 2025 : ₹ 2,638.58 Hundred) which have completely eroded the net worth of the Company. The Company also has net current liabilities of ₹ 4,496 Hundred as at 31st March, 2026 (31st March, 2025 : ₹ 2,945.74 Hundred). The management is confident of streamlining the operations so as to start generating profits. The Company has received funding from the Holding Company in the form of reimbursements. In view of the Holding Companies continued commitment and support to the Company these financial statements have been prepared on going concern basis, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

20

As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the company has sent confirmations to all its suppliers. Based upon the confirmations received as of 31st March, 2026 and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

21 OTHER STATUTORY INFORMATION

a) In the opinion of the Directors, all the current assets have been stated in the balance sheet at least at a value at which those are expected to be realised in the ordinary course of business. The Directors also have to state that adequate provisions have been made in the accounts, in respect of all known, quantified and ascertained liabilities and none of the liabilities or provisions are in the nature of reserve.

b) No Proceedings have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

c) The Company does not have any charge which is yet to be registered with registrar of companies beyond the statutory period.

d) The company did not have any transactions with companies struck off under section 248 or section 560 of the Companies Act, 2013.

e) During the year ended 31st March, 2026 the Company was not a party to any scheme which need approval from competent authorities in terms of sections 230 to 237 of the Companies Act, 2013.

f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and accordingly the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility. However, The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail.

h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Hrushikesh S. Kulkarni
Partner
Membership No. 160187

UDIN : 26160187BODGLH2610
Place : Pune
Date : 24th April, 2026

On behalf of the Board of Directors,
Kalyani Lightweighting Technology Solutions Limited

Kedar Dixit
Director
DIN: 07055747

Place : Pune
Date : 24th April, 2026

Tejaswini Chaudhari
Director
DIN: 09784500

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Kalyani Powertrain Limited

Registered Office

S.No. 49 Industry House, Opp. Kalyani Steels Ltd, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Kalyani Powertrain Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Kalyani Powertrain Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The Modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the clause (b) above on reporting under section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) i. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 49 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 50 to the financial statements no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

ii. The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account.

iii. The Company also uses a third-party service provider for salary processing. Based on the Independent Auditor's ISAE 3402 Type 2 Assurance Report on Controls at a Service Organisation, for the period 1st April 2025 to 30th September 2025 and a bridge letter confirming that there were no material changes in the internal control of the service provider during 1st October, 2025 to 31st March, 2026, we state that the audit trail was enabled for all relevant transactions recorded therein.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trial has been preserved by the Company as per the statutory requirements for records retention.

C. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion the managerial remuneration for the year ended 31st March, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953ZCWIGY6777

Place: Pune
Date : 1st May, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI POWERTRAIN LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and relevant details of right-of-use assets by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties. Therefore, the provisions of clause 3(i)(c) of the said order are not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory except goods in transit has been physically verified by the management during the year. For inward goods in transit subsequent evidence receipts has been linked with inventory records. In our opinion and based on the policy adopted by the management, the frequency of verification by the management is reasonable and the coverage and procedure for such verification were appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets of the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns/statements filed by the Company with such banks were found to be generally, in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) During the year, the company has provided loans or provided advances in nature of loans or stood guarantee to the following companies:

(In ₹ Million)

	Guarantees	Security	Loan	Advances in the nature of loans
Aggregate amount granted/provided during the year:				
Subsidiaries	-	-	83.69	-
Joint Venture	55.57	-	-	-
Other related party	-	-	-	-
Balance outstanding as at 31st March, 2026:				
Subsidiaries	-	-	845.04	-
Joint Venture	55.57	-	-	-
Other related party	-	-	-	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans or advances in the nature of loans, schedules of repayment of the principal and payment of interest have been stipulated. There were no repayments of principal and interest due during the year, save and except for cases mentioned below,

(In ₹ Million)

Name of the entity	Amount	Due Date	Date of Payment	Extent of delay	Remarks
Tork Motors Private Limited	58.09	8-Jun-25	NA	297	
Tork Motors Private Limited	29.83	30-Apr-25	NA	336	
Tork Motors Private Limited	1.50	30-May-25	NA	306	
Tork Motors Private Limited	5.03	31-May-25	NA	305	
Tork Motors Private Limited	8.21	1-Jun-25	NA	304	
Tork Motors Private Limited	8.57	30-Jul-25	NA	245	
Tork Motors Private Limited	402.64	30-Aug-25	NA	214	
Tork Motors Private Limited	1.19	30-Aug-25	NA	214	
Tork Motors Private Limited	0.82	21-Feb-26	NA	39	The Company has impaired the loan given in its financial .statements
Lycan Electric Private Limited	0.75	21-Feb-26	NA	39	
Lycan Electric Private Limited	0.75	22-Feb-26	NA	38	
Lycan Electric Private Limited	1.28	27-Feb-26	NA	33	
Lycan Electric Private Limited	1.00	28-Feb-26	NA	32	
Lycan Electric Private Limited	1.28	2-Mar-26	NA	30	
Lycan Electric Private Limited	1.28	5-Mar-26	NA	27	
Lycan Electric Private Limited	1.00	5-Mar-26	NA	27	
Lycan Electric Private Limited	1.00	11-Mar-26	NA	21	
Lycan Electric Private Limited	1.75	11-Mar-26	NA	21	
Lycan Electric Private Limited	1.75	12-Mar-26	NA	20	

Name of the entity	Amount	Due Date	Date of Payment	Extent of delay	Remarks
Lycan Electric Private Limited	0.80	17-Mar-26	NA	15	The Company has impaired the loan given in its financial .statements
Lycan Electric Private Limited	0.60	19-Mar-26	NA	13	
Lycan Electric Private Limited	0.60	19-Mar-26	NA	13	
Lycan Electric Private Limited	0.75	25-Mar-26	NA	7	
Lycan Electric Private Limited	0.75	26-Mar-26	NA	6	
Lycan Electric Private Limited	0.75	27-Mar-26	NA	5	
Lycan Electric Private Limited	0.68	30-Mar-26	NA	2	
Lycan Electric Private Limited	1.80	30-Mar-26	NA	2	

(d) There were no amounts overdue amounts for more than 90 days in respect of the loans given and interest accrued, except in following cases.

(In ₹ Million)

Name of the entity	Principal Amount Overdue	Interest overdue	Total Overdue	Remarks
Tork Motors Private Limited	504.05	11.01	515.06	During the previous year, the Company has impaired the loan given and interest accrued in its financial statements.

(e) No loan or advance in the nature of loan granted and which has fallen due during the year has been renewed or extended or fresh loans have been granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us, the Company has not granted any loans which are repayable on demand or without specifying any terms of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the said order is not applicable to the Company.

(vi) Requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-Tax, Duty of Custom, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us by the Management, the provisions of The Employees' State Insurance Act, 1948 do not apply to the Company. According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed dues in respect of Goods and Services Tax, Provident Fund, Income-Tax, Duty of Custom, Cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest, thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). hence, the requirement to report on clause 3(x)(a) of the said order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, The Company has not received any whistle-blower complaints during the year.

(xii) According to the information and explanations given to us, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3(xvi)(a) of the said order is not applicable to the Company.

(b) The Company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the clause 3(xvi)(b) of the said order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the clause 3(xvi)(c) of the said order is not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's as part of the Group.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report and incurred cash losses in the preceding financial year.

(In ₹ Million)

	Current Financial Year	Preceding Financial Year
Cash losses incurred	**386.57**	611.03

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953ZCWIGY6777

Place: Pune
Date : 1st May, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI POWERTRAIN LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

Opinion

We have audited the internal financial controls over financial reporting of **Kalyani Powertrain Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN: W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN: 26142953ZCWIGY6777

Place: Pune
Date : 1st May, 2026

Balance Sheet

as at 31st March, 2026

(In ₹ Million)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
a)	Property, plant and equipment	3	**576.79**	484.13
b)	Capital work-in-progress	3	**7.96**	139.74
c)	Intangible assets	4	**142.55**	184.85
d)	Intangible assets under development	4	**3.36**	15.53
e)	Right-of-use-assets	5	**111.07**	141.91
f)	Financial assets			
i)	Investment in subsidiaries and joint ventures	6	**770.75**	2,560.83
ii)	Trade receivables	13	**5.20**	-
iii)	Loans	7	**287.31**	245.47
iv)	Other financial assets	8	**15.42**	13.79
g)	Deferred tax assets	9	**-**	-
h)	Income tax assets	10	**12.23**	4.72
i)	Other assets	11	**234.92**	411.00
			2,167.56	4,201.97
2	**Current assets**			
a)	Inventories	12	**319.50**	372.25
b)	Financial assets			
i)	Trade receivables	13	**60.38**	16.77
ii)	Cash and cash equivalents	14	**152.72**	72.94
iii)	Loan	7	**-**	-
iv)	Other financial assets	8	**6.54**	7.45
c)	Other assets	11	**231.32**	38.08
			770.46	507.49
	Total assets		**2,938.02**	4,709.46

(In ₹ Million)

	Notes	As at 31st March, 2026	As at 31st March, 2025
II. EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	15	**8,943.13**	8,286.13
b) Other equity	16	**(6,428.59)**	(3,889.28)
Total equity		**2,514.54**	4,396.85
2 Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	42	**96.32**	125.50
b) Provisions	18	**3.63**	2.32
		99.95	127.82
3 Current liabilities			
a) Financial liabilities			
i) Lease liabilities	42	**29.18**	25.21
ii) Trade payables	20		
Dues to micro and small enterprises		**11.24**	11.70
Dues to other than micro and small enterprises		**256.94**	107.73
iii) Other financial liabilities	17	**5.79**	21.15
b) Provisions	18	**3.94**	2.28
c) Other liabilities	19	**16.44**	16.72
		323.53	184.79
Total liabilities		**423.48**	312.61
Total equity and liabilities		**2,938.02**	4,709.46
Significant accounting policies and notes forming an integral part of the financial statements.	1 to 53		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953ZCWIGY6777

Place : Pune
Date : 1st May, 2026

On behalf of the Board of Directors of
Kalyani Powertrain Limited

Pankaj Sonalkar
Managing Director
DIN: 02685465

Krishan Kohli
Director
DIN: 08644811

Suchi Gandhi
Chief Financial Officer

Nitin Yadav
Company Secretary
M No. A47555

Place : Pune
Date : 1st May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Million)

		Notes	Year ended 31st March 2026	Year ended 31st March, 2025
	Continuing operations			
I	Revenue from operations	21	**1,052.09**	75.45
II	Other income	22	**37.93**	36.31
	Total income		**1,090.02**	111.76
III	**Expenses**			
a)	Cost of raw materials and components consumed	23	**185.68**	111.79
b)	Purchases of stock-in-trade	24	**823.00**	-
c)	Changes in inventories of work-in-progress, finished goods and stock-in-trade	25	**(31.28)**	(27.17)
d)	Employee benefit expenses	26	**280.94**	249.30
e)	Finance costs	27	**11.83**	98.83
f)	Depreciation and amortization expenses	28	**126.27**	101.85
g)	Other expenses	29	**211.54**	241.78
	Total expenses		**1,607.98**	776.38
IV	**Loss before exceptional items and tax**		**(517.96)**	(664.62)
V	**Exceptional items gain/(Loss)**	47	**(2,022.39)**	(1,365.81)
VI	**Loss before tax from continuing operations**		**(2,540.35)**	(2,030.43)
VII	**Tax expenses**			
	Current tax		**-**	-
	Deferred tax		**-**	-
			-	-
VIII	**Loss for the year from continuing operations**		**(2,540.35)**	(2,030.43)
IX	**Discontinuing operations**			
	Loss from discontinuing operations		**(2.27)**	(65.25)
	Exceptional items from discontinuing operations		**-**	(981.71)
	Tax expenses of discontinuing operations		**-**	-
	Loss from discontinuing operations after tax		**(2.27)**	(1,046.96)
X	**Loss for the year**		**(2,542.62)**	(3,077.39)

(In ₹ Million)

		Notes	Year ended 31st March 2026	Year ended 31st March, 2025
XI	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit/loss			
	Remeasurement gain on defined benefit plans		**3.31**	2.67
	Income tax effect		**-**	-
	Total other comprehensive income, net of tax		**3.31**	2.67
XII	**Total comprehensive income for the year**		**(2,539.31)**	(3,074.72)
XIII	**Earnings per equity share [nominal value of ₹ 10/-]**	33		
	From continuing operations			
	Basic (In ₹)		**(2.95)**	(1.10)
	Diluted (In ₹)		**(2.95)**	(1.10)
	From discontinuing operations			
	Basic (In ₹)		**(0.00)**	(4.00)
	Diluted (In ₹)		**(0.00)**	(4.00)
	From continuing and discontinuing operations			
	Basic (In ₹)		**(2.95)**	(5.10)
	Diluted (In ₹)		**(2.95)**	(5.10)
Significant accounting policies and notes forming an integral part of the financial statements		1 to 53		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953ZCWIGY6777

Place : Pune
Date : 1st May, 2026

On behalf of the Board of Directors of
Kalyani Powertrain Limited

Pankaj Sonalkar
Managing Director
DIN: 02685465

Krishan Kohli
Director
DIN: 08644811

Suchi Gandhi
Chief Financial Officer

Nitin Yadav
Company Secretary
M No. A47555

Place : Pune
Date : 1st May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a) Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	**In ₹ Million**	No. of shares	In ₹ Million
Balance at the beginning	**828,613,325**	**8,286.13**	450,663,325	4,506.63
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning	**828,613,325**	**8,286.13**	450,663,325	4,506.63
Changes in equity share capital				
Issued during the year	**65,700,000**	**657.00**	377,950,000	3,779.50
Balance at the end	**894,313,325**	**8,943.13**	828,613,325	8,286.13

b) Other equity

(In ₹ Million)

	Retained earnings	**Total other equity**
Balance as at 31st March, 2024	(814.56)	(814.56)
Changes in other equity due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period	(814.56)	(814.56)
Loss for the year	(3,077.39)	(3,077.39)
Other comprehensive income for the year	2.67	2.67
Balance as at 31st March, 2025	(3,889.28)	(3,889.28)
Changes in other equity due to prior period errors	**-**	**-**
Restated balance at the beginning of the current reporting period	**(3,889.28)**	**(3,889.28)**
Loss for the year	**(2,542.62)**	**(2,542.62)**
Other comprehensive income for the year	**3.31**	**3.31**
Balance as at 31st March, 2026	**(6,428.59)**	**(6,428.59)**

Significant accounting policies and notes forming an integral part of the financial statements

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
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UDIN : 26142953ZCWIGY6777

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On behalf of the Board of Directors of
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Managing Director
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Director
DIN: 08644811

Suchi Gandhi
Chief Financial Officer

Nitin Yadav
Company Secretary
M No. A47555

Place : Pune
Date : 1st May, 2026

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Million)

			Year ended 31st March 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**			
	Loss after exceptional items and before tax			
	Loss before tax from continuing operations		**(2,540.29)**	(2,030.43)
	Loss before tax from Discontinuing operations		**(2.27)**	(1,046.97)
			(2,542.56)	(3,077.40)
	Adjustments for Continuing Operations :			
	Non cash exceptional items		**2,019.08**	1,365.81
	Depreciation and amortization expenses		**126.27**	101.85
	Finance costs		**11.83**	98.82
	Interest income		**(23.57)**	(20.91)
	Liabilities/provisions no longer required written back		**(8.31)**	-
	Provision for doubtful debts and advances written back		**(2.21)**	-
	Bad debts		**2.21**	-
	Provision for doubtful debts and advances		**1.65**	2.21
	Remeasurement of the net defined benefit liability/asset		**3.31**	2.61
			2,130.26	1,550.39
	Operating loss before working capital changes for continuing operations		**(412.30)**	(1,527.01)
	Effect of adjustments on loss before working capital changes for discontinuing operations		**13.33**	1,007.93
	Operating loss before working capital changes		**(398.97)**	(519.08)
	Movements in working capital :			
	Increase / (decrease) in trade payables		**158.30**	(26.79)
	Increase / (decrease) in other liabilities		**0.11**	15.27
	Increase / (decrease) in provisions		**7.71**	(5.97)
	(Increase) / decrease in inventories		**1.13**	(167.78)
	Increase / (decrease) in trade receivables		**(50.46)**	3.74
	(Increase) / decrease in other financial assets		**0.14**	90.80
	(Increase) / decrease in other assets		**(45.90)**	(63.90)
	Cash used in continuing operations		**(327.94)**	(673.71)
	Movements in working capital in discontinuing operations:		**(6.42)**	(40.52)
	Cash used in operations		**(334.36)**	(714.23)
	Direct taxes paid (net of refunds)		**(7.54)**	(0.26)
	Net cash flows used in operating activities	**(A)**	**(341.90)**	(714.49)
(B)	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and intangible assets (including capital work in progress, intangible under development, capital advance and capital creditors)		**(133.29)**	(124.90)
	Investment in joint ventures		**-**	(1,123.99)
	Loans to subsidiaries		**(83.69)**	(21.50)
	Interest income		**23.10**	20.30
	Cash used in continuing operations		**(193.88)**	(1,250.09)
	Cash used in investing activities for discontinuing operations		**(1.26)**	(536.31)
	Net cash flows used in investing activities	**(B)**	**(195.14)**	(1,786.40)

(In ₹ Million)

			Year ended 31st March 2026	Year ended 31st March, 2025
(C)	**Cash flows from financing activities**			
	Proceeds from issue of equity shares		**657.00**	3,779.50
	Repayment of non current borrowings		**-**	(500.00)
	Repayment of current borrowings		**-**	(595.00)
	Payment of interest on lease liabilities		**(8.76)**	(10.05)
	Payment of principal lease liabilities		**(15.82)**	(13.94)
	Interest paid		**(3.07)**	(88.78)
	Cash generated from Continuing Operations		**629.35**	2,571.73
	Cash used in financing activities in discontinuing operations		**(12.53)**	(13.12)
	Net cash flows from financing activities	**(C)**	**616.82**	2,558.61
(D)	**Net increase in cash and cash equivalents (A+B+C)**		**79.78**	57.72
(E)	**Cash and cash equivalents at the beginning of the year**		**72.94**	15.22
(F)	**Cash and cash equivalents at the end of the year**		**152.72**	72.94

Components of cash and cash equivalents		**As at 31st March, 2026**	As at 31st March, 2025
Balances with banks in current accounts		**12.66**	12.91
Deposits with original maturity of less than three months		**140.06**	60.03
	TOTAL	**152.72**	72.94
Significant accounting policies and notes forming an integral part of the financial statements	1 to 53		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953ZCWIGY6777

Place : Pune
Date : 1st May, 2026

On behalf of the Board of Directors of
Kalyani Powertrain Limited

Pankaj Sonalkar
Managing Director
DIN: 02685465

Krishan Kohli
Director
DIN: 08644811

Suchi Gandhi
Chief Financial Officer

Nitin Yadav
Company Secretary
M No. A47555

Place : Pune
Date : 1st May, 2026

Notes Forming Part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

Kalyani Powertrain Limited ("the Company") was incorporated on 26th September, 2020 as a private limited company under the provisions of the Companies Act, 2013. The Company has subsequently converted into a public limited company with effect from 20th July, 2021. The Company is a wholly owned subsidiary of Bharat Forge Limited.

During the period covered by these financial statements, the Company was engaged in the business of power electronics, development of sub-systems, electric powertrain transmission systems for automotive sector, electronic components including servers, machines & fixtures and related research and development.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 1st May, 2026.

In view of Rule 6 of the Companies (Accounts) Rules, 2014, the Company has decided not to present consolidated financial statements for the year ended 31st March 2026, since its Holding Company namely Bharat Forge Limited is going to present the consolidated financial statements and the conditions prescribed said rule have been complied with.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest million.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currencies :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Investment in subsidiaries and joint ventures

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less accumulated impairment. (Refer note 2.12).

2.5 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market should be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions theat market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interests.

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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 35)

b) Quantitative disclosures of fair value measurement hierarchy (note 37)

c) Investment in unquoted equity shares (note 6)

d) Financial instruments (including those carried at amortized cost) (note 36)

2.6 Revenue from operations :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

a) Sale of goods :

Revenue from the sale of goods is recognised when the performance obligation is satisfied and usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Interest income :

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

d) Profit / Loss on sale of investments:

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

e) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in note 2.16.

f) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.7 Taxes :

Tax expense comprises current and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables ad payables in the balance sheet.

2.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit and loss during the financial period in which they are incurred.

Depreciation is computed on a straight-line method based on the useful lives, determined based on internal technical evaluation by the management.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Assets under improvement to leased premises are fully depreciated over the lease period of the asset.

The Management's estimate of the useful lives of various property, plant and equipment is given below

Type of asset		Estimated useful life
i)	Buildings - Other	3 to 6 years
ii)	Plant and machineries (including test jigs)	2 to 15 years
iii)	Computer and data processing equipments	
	(a) Servers and networks	6 years
	(b) Other end user devices	3 years
iv)	Furniture and fixtures	10 years
v)	Office equipment	8 years
vi)	Vehicles	Lease term
vii)	Leasehold improvements	

Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The summary of amortization policy applied to the Company's intangible assets is as below:

Type of asset		Estimated useful life
i)	Computer software	3 years
ii)	Other intangible asset	5 years

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

i. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

ii. Its intention to complete and its ability and intention to use or sell the asset

iii. How the asset will generate future economic benefits

iv. The availability of resources to complete the asset

v. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms

part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.10 Leases :

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee :

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Type of asset	Estimated useful life
i) Land and building	5-10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.12 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is

remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor :

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Inventories :

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realisable value.

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.

2.12 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and

forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit and loss.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.13 Provisions and contingent liabilities :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.14 Retirement and other employee benefits :

a) Provident fund :

The contributions to provident fund are recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

b) Gratuity :

The Company operates a defined benefits plan for its employees. Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The cost of providing benefits under

these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

i The date of the plan amendment or curtailment, and

ii The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii Net interest expense or income

c) Privilege leave benefits :

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.15 Borrowing costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established

by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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.

Gains or losses on liabilities held for trading are recognised in the statement of profit and 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 risk are recognised in OCI. These gains/ loss are not subsequently transferred to the 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 statement of profit and loss.

The Company has not designated any financial liability as at fair value through statement of profit and loss.

ii 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 the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through statement of profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.17 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.18 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.19 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.20 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 are adjusted for the effects of all dilutive potential equity shares.

2.21 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) after 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.

2.22 Recent Pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT :

(In ₹ Million)

	Plant & machinery	Furniture	Computers	Buildings	Leasehold Improvements	Office equipment	Vehicles	Total	Capital work-in-progress
Gross block, at cost :									
As at 31st March, 2024	674.14	6.71	35.60	1.27	59.29	5.50	10.85	793.36	142.38
Additions	22.15	5.49	4.06	-	18.04	0.83	-	50.57	47.94
Disposals	-	-	-	-	-	-	-	-	(50.58)
As at 31st March, 2025	696.29	12.20	39.66	1.27	77.33	6.33	10.85	843.93	139.74
Additions	**132.18**	**0.17**	**14.19**	**-**	**1.93**	**0.24**	**-**	**148.71**	**150.53**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(146.77)**
Assets written off [Note (b)]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(135.54)**
As at 31st March, 2026	**828.47**	**12.37**	**53.85**	**1.27**	**79.26**	**6.57**	**10.85**	**992.64**	**7.96**
Depreciation and amortization :									
Upto 31st March, 2024	24.88	1.77	13.27	0.50	9.37	0.96	0.40	51.15	-
Disposals	-	-	-	-	-	-	-	-	-
For the period	38.96	1.11	8.32	0.21	4.01	0.89	1.36	54.86	-
Impairment loss [Note (b)]	188.41	0.78	3.70	0.16	59.25	1.49	-	253.79	-
Upto 31st March, 2025	252.25	3.66	25.29	0.87	72.63	3.34	1.76	359.80	-
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For the year	**42.29**	**1.36**	**8.17**	**0.13**	**1.87**	**0.87**	**1.36**	**56.05**	**-**
Impairment loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Upto 31st March, 2026	**294.54**	**5.02**	**33.46**	**1.00**	**74.50**	**4.21**	**3.12**	**415.85**	**-**
Net block :									
As at 31st March, 2025	444.04	8.54	14.37	0.40	4.70	2.99	9.09	484.13	139.74
As at 31st March, 2026	**533.93**	**7.35**	**20.39**	**0.27**	**4.76**	**2.36**	**7.73**	**576.79**	**7.96**

a) Capitalised borrowing costsThe Company capitalises borrowing costs in the capital work-in-progress (CWIP) first. The borrowing costs capitalised during the year ended 31st March, 2026 is ₹ Nil (31st March 2025 : ₹ Nil).

b) During the year, the Company written off capital work-in-progress of ₹ 135.54 million, which has been disclosed as an exceptional item in the Statement of Profit and Loss.

In the previous year, the Company discontinued the operations of its manufacturing and assembly plant for electric two-wheelers. Consequently, an impairment loss of ₹ 253.79 million was recognised, representing the write-down of property, plant and equipment associated with this plant. Refer Note 47.

c) Capital work in progress Ageing Schedule

As at 31st March, 2026					(In ₹ Million)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**4.61**	**3.35**	**-**	**-**	**7.96**

As at 31st March, 2025					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.25	121.49	-	-	139.74

d) For details of expenditure capitalised during the previous year to property, plant and equipment, intangible assets, capital work-in-progress, and intangible assets under development, refer Note 30.

e) The Company has not revalued any property, plant and equipment during the year.

4 INTANGIBLE ASSETS :

(In ₹ Million)

	Technical advancement	Patents	Softwares	Total intangible assets	Intangibles under development
Gross block, at cost :					
As at 31st March, 2024	41.09	-	22.32	63.41	126.21
Additions	147.43	100.00	21.60	269.03	160.17
Disposals	-	-	-	-	(270.85)
Borrowing Costs (Note a)	1.62	-	-	1.62	-
As at 31st March, 2025	190.14	100.00	43.92	334.06	15.53
Additions	**7.79**	**-**	**-**	**7.79**	**1.27**
Disposals	**-**	**-**	**-**	**-**	**(13.44)**
As at 31st March, 2026	**197.93**	**100.00**	**43.92**	**341.85**	**3.36**
Depreciation and amortization :					
Upto 31st March, 2024	8.49	-	7.46	15.95	-
Disposals	-	-	-	-	-
For the year	20.32	-	12.81	33.13	-
Impairment loss (Note b)	-	100.00	0.13	100.13	-
Upto 31st March, 2025	28.81	100.00	20.40	149.21	-
Disposals	**-**	**-**	**-**	**-**	**-**
For the year	**39.26**	**-**	**10.83**	**50.09**	**-**
Upto 31st March, 2026	**68.07**	**100.00**	**31.23**	**199.30**	**-**
Net block :				**-**	
As at 31st March, 2025	161.33	-	23.52	184.85	15.53
As at 31st March, 2026	**129.86**	**-**	**12.69**	**142.55**	**3.36**

a) Capitalised borrowing costs

The Company capitalises borrowing costs in the intagibles under development first. The borrowing costs capitalised during the year ended 31st March, 2026 is ₹ Nil (31st March 2025 : ₹ 1.62 million).

b) Impairment loss

During the previous year, the Company has discontinued operations of manufacturing and assembly plant for electric two-wheeler. The impairment loss of ₹ 100.13 million represented the write-down of patents and software related to this plant. Refer note 47.

c) Intangibles under development Ageing schedule

(In ₹ Million)

As at 31st March, 2026					
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**-**	**3.36**	**-**	**-**	**3.36**
As at 31st March, 2025					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	13.42	-	2.11	-	15.53

d) For details of expenditure capitalised during the previous year to property, plant and equipment, intangible assets, capital work-in-progress, and intangible assets under development, refer Note 30.

e) The Company has not revalued any intangible assets during the year.

5 RIGHT OF USE ASSETS :

(In ₹ Million)

	Buildings	Total
Gross block, at cost :		
As at 31st March, 2024	223.07	223.07
Additions	-	-
Disposals	-	-
As at 31st March, 2025	223.07	223.07
Additions	-	-
Disposals	-	-
As at 31st March, 2026	**223.07**	**223.07**
Depreciation and amortization :		
Upto 31st March, 2024	50.33	50.33
Disposals	-	-
For the year	30.84	30.84
Upto 31st March, 2025	81.16	81.16
Disposals	-	-
For the year	**30.84**	**30.84**
Upto 31st March, 2026	**112.00**	**112.00**
Net block :		
As at 31st March, 2025	141.91	141.91
As at 31st March, 2026	**111.07**	**111.07**

6 INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE:

(At cost) (In ₹ Million)

			As at 31st March, 2026	As at 31st March, 2025
Equity instruments (unquoted)				
- Investment in wholly owned subsidiary				
10,000	(10,000)	Equity shares of ₹ 10/- each, fully paid up in Electroforge Limited	**0.10**	0.10
- Other subsidiaries where Company holds 51% or more of the equity share capital				
475,000	(475,000)	Common stock having no par value fully paid up in Kalyani Mobility, Inc. [Refer note (a) below]	**1,436.74**	1,436.74
		USD 17,831,899 (31st March, 2025 : USD 17,831,899)		
		Less : Provision for impairment in value of investments	**(775.08)**	-
			661.66	1,436.74
26,838	(26,838)	Equity shares of ₹ 10/- each, fully paid up in Tork Motors Private Limited [Refer note (b) below]	**849.93**	849.93
		Less : Provision for impairment in value of investments	**(849.93)**	(849.93)
			-	-
- Investment in Joint Venture				
12,500	(12,500)	Equity shares of € 1/- each in Refu Drive GmbH [Refer note (c) below]	**1,123.99**	1,123.99
		EUR 12,259,300 (31st March, 2025 : EUR 12,259,300)		
		Less : Provision for impairment in value of investments	**(1,015.00)**	-
			108.99	1,123.99
		Total :	**770.75**	2,560.83

(a) During the year, the Company has made provision for impairment in value of investment of ₹ 775.08 million in investment in equity instruments of Kalyani Mobility Inc. The provision is recognised as an exceptional item in the statement of profit and loss.

(b) During the previous year, the Company had made provision for impairment in value of investment of ₹ 849.93 million in investment in equity instruments of Tork Motors Private Limited. The provision is recognised as an exceptional item in the statement of profit and loss.

During the year, The National Company Law Tribunal admitted an insolvency application against the Tork Motors Private Limited and initiated the Corporate Insolvency Resolution Process (CIRP) and appointed a Resolution Professional. The Company does not have any outstanding financial exposure to the subsidiary in the form of loans, guarantees, receivables, or other commitments as at 31st March, 2026.

In view of the full impairment of the investment in earlier years, the initiation of insolvency proceedings does not result in any further impact on the financial statements of the Company for the year ended 31st March, 2026.

(c) During the previous year, the Company had invested ₹ 1,054.50 million by acquiring 12,500 equity shares of € 1/- each, fully paid up in Refu Drive GmbH for from the Bharat Forge Limited, the Holding Company. Refu Drive GmbH is a joint venture company of the Company and Refu Elektronic GmbH.

During the previous year, the Company had made further investment by way of capital contribution to Refu Drive GmbH of ₹ 66.84 million (€ 0.75 million). Contributions to the capital reserves of Refu Drive GmbH as per the German Commercial Code (code), form a part of the equity share capital and accordingly, have been considered as an investment.

During the year, the Company has made provision for impairment in value of investment of ₹ 1,015 million in investment in equity instruments of Refu Drive GmbH. The provision is recognised as an exceptional item in the statement of profit and loss.

(d) Compliance with number of layers : The Company has invested funds in subsidiaries and joint-ventures. The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

7 LOANS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-current (Unsecured, considered good)		
Loans to related parties		
Loans to subsidiaries	**287.31**	245.47
Total	**287.31**	245.47
Current (Unsecured, considered good unless otherwise sepcified)		
Loans to related parties		
Loans to subsidiaries		
Good	**-**	-
Doubtful	**557.73**	515.88
Less : Provision for doubtful advances	**(557.73)**	(515.88)
	-	-
Total	**-**	-

For related party transactions, refer note 34

8 OTHER FINANCIAL ASSETS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-current (Unsecured, considered good)		
Security deposits	**15.42**	13.79
Total	**15.42**	13.79
Current (Unsecured, considered good)		
Other receivables	**6.54**	7.45
Total	**6.54**	7.45

For related party transactions, refer note 34

9 DEFERRED TAX ASSET (NET)

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Deferred tax asset		
Temporary differences for		
Depreciation	**48.85**	48.50
other disallowances	**286.55**	233.96
	335.40	282.46
Less: Deferred tax asset in excess of the liability derecognised	**(335.40)**	(282.46)
	-	-
Total	**-**	-

10 INCOME TAX ASSETS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Taxes paid in advance	**12.23**	4.72
Total	**12.23**	4.72

11 OTHER ASSETS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-current (Unsecured, considered good unless otherwise specified)		
Balances with government authorities	**222.39**	371.30
Capital advances		
Good	**10.94**	39.70
Doubtful	**1.00**	1.00
Less : Provision for doubtful advances	**(1.00)**	(1.00)
	10.94	39.70
Prepaid expenses	**1.59**	-
Total	**234.92**	411.00
Current (Unsecured, considered good unless otherwise specified)		
Balances with government authorities	**207.07**	-
Advances to suppliers		
Good	**9.53**	25.18
Doubtful	**5.60**	5.57
Less : Provision for doubtful advances	**(5.60)**	(5.57)
	9.53	25.18
Prepaid plan assets [Refer note 32(b)]	**0.86**	-
Prepaid expenses	**11.02**	11.61
Others*	**2.84**	1.29
Total	**231.32**	38.08

* Includes advances for expenses, etc.

12 INVENTORIES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Finished Goods	**58.37**	60.55
Raw materials*	**222.79**	255.21
Work-in-progress	**5.59**	4.88
Stock-in-trade#	**32.75**	-
Inventory of R & D activity	**-**	51.61
Total	**319.50**	372.25

*Includes goods in transit of ₹ 0.43 Million (31st March, 2025: ₹ 13.26 Million)

#Includes goods in transit of ₹ 0.37 Million (31st March, 2025: ₹ Nil)

During the year ended 31st March, 2026 ₹ 123.05 Million (31st March, 2025: ₹ 8.78 Million) was recognised as expenses for inventories carried at net realisable value and write down of inventories.

13 TRADE RECEIVABLES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-Current (Considered good, unless otherwise specified)		
Unsecured		
Considered good	**5.20**	-
Credit impaired	**-**	-
Total	**5.20**	-
Current (Considered good, unless otherwise specified)		
Unsecured		
Considered good	**60.38**	16.77
Credit impaired	**487.14**	487.70
	547.52	504.47
Less : Impairment allowance (allowance for bad and doubtful debts)	**(487.14)**	(487.70)
Total	**60.38**	16.77

Includes receivables from related party, refer note 34

Trade receivable are non interest bearing and are generally on terms of 30 to 60 days

Trade receivables ageing schedule

Particulars	Not yet due	Outstanding for the following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
As at 31 March, 2026						
Undisputed dues						
(a) considered good	**44.10**	**7.05**	**13.71**	**0.72**	**-**	**65.58**
(b) which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
(c) credit impaired	**-**	**-**	**0.04**	**55.43**	**431.67**	**487.14**
Unbilled revenue	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal	**44.10**	**7.05**	**13.75**	**56.15**	**431.67**	**552.72**
Less : Impairment allowance	**-**	**-**	**(0.04)**	**(55.43)**	**(431.67)**	**(487.14)**
Total	**44.10**	**7.05**	**13.71**	**0.72**	**-**	**65.58**

Particulars	Not yet due	Outstanding for the following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
As at 31 March, 2025						
Undisputed dues						
(a) considered good	5.58	11.08	0.11	-	-	16.77
(b) which have significant increase in credit risk	-	-	-	-	-	-
(c) credit impaired	-	-	53.82	431.67	2.21	487.70
Unbilled revenue	-	-	-	-	-	-
Subtotal	5.58	11.08	53.93	431.67	2.21	504.47
Less : Impairment allowance	-	-	(53.82)	(431.67)	(2.21)	(487.70)
Total	5.58	11.08	0.11	-	-	16.77

14 CASH AND BANK BALANCES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents		
Balances with banks		
In current accounts	**12.66**	12.91
Deposits with original maturity of less than three months	**140.06**	60.03
Total :	**152.72**	72.94

(a) Bank deposits earn interest at fixed rates. Short term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

(b) Working Capital Demand Loan from ICICI Bank

The Company has availed a Working Capital Demand Loan facility of ₹ 500 million (Previous year : ₹ 500 million) carrying interest @ Repo Rate + Spread from ICICI Bank. This loan is secured by excusive charge on by way of hypothecation on plant and machineries.

(c) Working Capital Demand Loan from Indusind Bank

The Company had availed a Working Capital Demand Loan of ₹ 500 million carrying interest @ T Bill 91 Days + 2% (Previous year : T Bill 91 Days + 2%) from Indusind Bank. The facility is secured by first pari-passu charge over current assets (inventories and book debts).

(d) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(e) The Company has filed the quarterly statements with banks with regard to the securities provided against working capital facilities on periodic basis. The statements filed by the Company with banks are in agreement of books of accounts.

15 EQUITY SHARE CAPITAL

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Authorised		
950,000,000 (950,000,000) Equity shares of ₹ 10/- each	**9,500.00**	9,500.00
Total :	**9,500.00**	9,500.00
Issued		
894,313,325 (828,613,325) Equity shares of ₹ 10/- each	**8,943.13**	8,286.13
Total :	**8,943.13**	8,286.13
Subscribed and fully paid-up		
894,313,325 (828,613,325) Equity shares of ₹ 10/- each, fully paid-up	**8,943.13**	8,286.13
Total :	**8,943.13**	8,286.13

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	**In ₹ Million**	No. of shares	In ₹ Million
At the beginning of the year	**828,613,325**	**8,286.13**	450,663,325	4,506.63
Shares issued during the year	**65,700,000**	**657.00**	377,950,000	3,779.50
Outstanding at the end of the year	**894,313,325**	**8,943.13**	828,613,325	8,286.13

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	**In ₹ Million**	No. of shares	In ₹ Million
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited#	**894,313,325**	**8,943.13**	828,613,325	8,286.13
	894,313,325	**8,943.13**	828,613,325	8,286.13

including the shares held through nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	**% of holding**	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid				
Bharat Forge Limited, the Holding Company#	**894,313,325**	**100.00**	828,613,325	100.00
	894,313,325	**100.00**	828,613,325	100.00

including the shares held through nominees

(e) Shares held by Promoters at the end of the year

Promoter Name	As at 31st March, 2026		% change during the year
	No. of shares	**% of total shares**	
Bharat Forge Limited, the Holding Company#	**894,313,325**	**100.00**	**0.00%**

including the shares held through nominees

Promoter Name	As at 31st March, 2025		% change during the year
	No. of shares	% of total shares	
Bharat Forge Limited, the Holding Company#	828,613,325	100.00	0.00%

including the shares held through nominees

(f) Equity shares allotted as fully paid-up (during 5 years preceding 31st March, 2026) pursuant to contracts without payment being received in cash

i) 30,030,000 equity shares fully paid up were allotted during year ended 31st March, 2022 to Bharat Forge Limited, the Holding Company, in consideration for acquisition of 14,208 equity shares of Tork Motors Private Limited.

ii) 40,000,000 equity shares fully paid up were allotted during year ended 31st March, 2022 to Bharat Forge Limited, the Holding Company, upon conversion of 400,000 0% Optionally Convertible Debentures (ZOCD) of ₹ 1,000/- each.

16 OTHER EQUITY

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Deficit in the statement of profit and loss		
As per last account	**(3,889.28)**	(814.56)
Loss for the year	**(2,542.62)**	(3,077.39)
Other comprehensive income for the year	**3.31**	2.67
	(6,428.59)	(3,889.28)
Less : Appropriations	**-**	-
	(6,428.59)	(3,889.28)

17 OTHER FINANCIAL LIABILITIES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Current		
Payable for capital goods	**5.79**	21.15
Total :	**5.79**	21.15

18 PROVISIONS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-current		
Provision for employee benefits		
Provision for compensated absences [Refer note 32(c)]	**3.63**	2.32
Total :	**3.63**	2.32
Current		
Provision for employee benefits		
Provision for gratuity [Refer note 32(b)]	**-**	0.04
Provision for compensated absences [Refer note 32(c)]	**3.94**	2.24
Total :	**3.94**	2.28

19 OTHER LIABILITIES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Current		
Contract liabilities[(a)]		
Advance received from customers	**7.15**	8.65
Pre-received income	**0.41**	-
Statutory dues payable	**8.88**	8.07
Total :	**16.44**	16.72

(a) The contract liabilities primarily relate to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the goods are passed on to the customers.

20 TRADE PAYABLES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro and small enterprises (Refer note 46)	**11.24**	11.70
Dues to other than micro and small enterprises	**256.94**	107.73
Total :	**268.18**	119.43

Trade payables includes related party payables, refer note no. 34.

Trade payables are non-interest bearing and are generally on terms of 0 to 60 days.

Trade payable ageing schedule

(In ₹ Million)

Particulars	Outsanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026							
Undisputed dues to MSME	**9.76**	**0.47**	**0.88**	**0.13**	**-**	**-**	**11.24**
Undisputed dues to other than MSME	**25.27**	**104.16**	**125.04**	**2.41**	**-**	**0.06**	**256.94**
Disputed dues to MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues to other than MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	35.03	**104.63**	**125.92**	**2.54**	**-**	**0.06**	**268.18**
As at 31st March, 2025							
Undisputed dues to MSME	8.86	1.61	1.23	-	-	-	11.70
Undisputed dues to other than MSME	32.02	36.74	38.64	0.27	0.06	-	107.73
Disputed dues to MSME	-	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-	-
	40.88	38.35	39.87	0.27	0.06	-	119.43

21 REVENUE FROM OPERATIONS

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Sale of products		
- Sale of goods	**99.44**	74.02
- Trading Sale	**921.34**	-
Sale of services		
- Sale of Services	**29.53**	1.23
Other operating revenues		
- Export incentives received	**1.49**	0.05
- Manufacturing scrap	**0.29**	0.15
Total Revenue from operations	**1,052.09**	75.45

Disaggregate revenue information :

The table below presents disaggregated revenues from contracts with customers by geographical segments.

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Revenue by geographical segments :		
Within India	**1,043.40**	73.23
Outside India	**8.69**	2.22
Total :	**1,052.09**	75.45

Contract assets at the end of the year (In ₹ Million) :	**NIL**	NIL

Changes in contract liabilities are as under :

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Balance at the beginning of the year	**8.65**	3.50
Revenue recognised from contract liabilities at the beginning of the year	**(4.70)**	(0.19)
Increased due to advances received during the year/pre-received income	**3.61**	6.33
Decreased due to refund of advance received	**-**	(0.99)
Balance at the end of the year	**7.56**	8.65
Current	**7.56**	8.65
Non-Current	**-**	-
	7.56	8.65

Reconciliation of contracted price with revenue during the year (In ₹ million)

	Year ended 31st March 2026	Year ended 31st March 2025
Revenue recognised as per Statement of Profit & loss		
Sale of products	**99.44**	74.02
Sale of services	**29.53**	1.23
Other operating revenues	**921.63**	0.15
	1,050.60	75.40
Add/(Less) : Adjustments (sales returns, discounts, etc.)	**-**	-
Contract Price	**1,050.60**	75.40

22 OTHER INCOME

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Interest income on		
Bank deposits	**1.31**	0.76
Loans to subsidiaries	**20.93**	19.45
Other*	**1.32**	0.71
Gain on foreign exchange differences (net)	**2.14**	3.53
Liabilities/provisions no longer required written back	**8.31**	-
Provision for doubtful debts written back	**2.21**	-
Miscellaneous income**	**1.71**	11.86
Total :	**37.93**	36.31

* Includes interest on account of unwinding of security deposits, interest on income tax, etc.

** Miscellaneous income includes sundry sale, discount received, miscellaneous recoveries etc.

23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Inventory at the beginning of the year (Refer note 12)	**255.21**	166.20
Add: Purchases	**153.26**	200.80
Less: Inventory as at end of the year (Refer note 12)	**222.79**	255.21
Cost of raw materials and components consumed	**185.68**	111.79

24 PURCHASES OF STOCK IN TRADE

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Purchases of stock in trade	**823.00**	-
Total :	**823.00**	-

25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Inventories at the end of the year (Refer note 12)		
Finished Goods	**58.37**	60.55
Work-in-progress	**5.59**	4.88
Stock-in-trade	**32.75**	-
	96.71	65.43
Inventories at the beginning of the year (Refer note 12)		
Finished Goods	**60.55**	33.19
Work-in-progress	**4.88**	5.07
	65.43	38.26
Total :	**(31.28)**	(27.17)

26 EMPLOYEE BENEFIT EXPENSES

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Salaries, wages and bonus	**255.52**	223.85
Contribution to provident fund and other funds	**13.38**	12.52
Gratuity expenses	**4.25**	4.63
Staff welfare	**7.79**	8.30
Total :	**280.94**	249.30

27 FINANCE COSTS

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Interest on borrowings		
- On bank facilities	**0.38**	78.86
Other interest	**1.19**	2.21
Interest on lease liability (Refer note 42)	**8.76**	10.05
Other borrowing costs#	**1.50**	7.71
Total :	**11.83**	98.83

#Includes loan processing fees, etc.

28 DEPRECIATION AND AMORTIZATION EXPENSES

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation on property, plant and equipment (Refer note 3)	**56.05**	69.58
Amortization on intangible assets (Refer note 4)	**50.08**	12.13
Depreciation on right-of-use assets (Refer note 42)	**20.14**	20.14
Total :	**126.27**	101.85

29 OTHER EXPENSES

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Consumption of stores, spares, tools and other materials for R & D	**1.97**	3.25
Power and fuel	**6.60**	6.91
Repair & maintenance - Building	**0.20**	0.22
Repair & maintenance - Others	**3.70**	3.35
Contract labour charges	**38.25**	38.31
Rent	**11.98**	11.94
Rates and taxes	**0.54**	1.41
Insurance	**3.51**	4.33
Testing charges	**6.28**	10.93
Legal and professional fees	**33.38**	42.96
Subscription expenses	**12.90**	11.51
Research & development expenses	**41.93**	50.37
Travelling expenses	**12.11**	13.43
Business development expenses	**13.10**	17.19
Security expenses	**3.15**	3.33
Share issue expenses	**0.07**	0.24
Payment to auditors (Refer note a)	**1.51**	1.52
Bad debts	**2.21**	-
Provision for doubtful debts and advances	**1.65**	2.21
Miscellaneous expenses#	**16.50**	18.37
Total :	**211.54**	241.78

#Miscellaneous expenses consists of bank charges, printing and stationery and other office expenses etc.

a) Payment to auditors

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
As auditor:		
- Statutory audit fee	**1.15**	1.10
- Tax audit/Trasfer pricing audit fee	**0.20**	0.15
- Other (including certification fees)	**0.12**	0.22
- Reimbursement of expenses	**0.04**	0.05
Total :	**1.51**	1.52

30 CAPITALISATION OF EXPENDITURE

The Company has capitalised the following expenses of Property, plant and equipment/capital work in progress (CWIP). Consequently, Income and expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Salaries, wages and bonus	-	12.15
Other expenses		
Legal and professional fees	-	2.51
Total :	-	14.66

31 SEGMENT REPORTING :

The Company's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Company's business is divided into four reporting segments which comprise "Re-Powering" which include re-powering of buses and trucks, "Electronic components including servers" which include servers and other electronic components business, "Machine and fixtures" which include trading of machines and fixures and "Others" include various other activities carried out by the Company.

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators.

(In ₹ Million)

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
1	**Segment revenue**		
	Revenue from external customers		
	Re-Powering	**103.06**	54.58
	Electronic components including Server	**74.67**	20.87
	Machine and fixtures	**872.87**	-
	Others	**16.45**	13.21
	Total	**1,067.05**	88.66
	Less : Inter segment revenue	**-**	-
	Less : Revenue attributable to discontinuing operations	**(14.96)**	(13.21)
	Total	**1,052.09**	75.45
	Adjustments and eliminations	**-**	-
	Revenue from operations	**1,052.09**	75.45

(In ₹ Million)

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
2	**Segment results**		
	Re-Powering	**(345.71)**	(363.43)
	Electronic components including Server	**(206.06)**	(177.70)
	Machine and fixtures	**86.37**	-
	Others	**(39.69)**	(89.91)
	Total segment profits before interest, tax and exceptional items from each reportable segment	**(505.09)**	(631.04)
	Less : Finance cost	**11.83**	98.83
	Total	**(516.92)**	(729.87)
	Less : Exceptional items loss	**(2,025.70)**	(2,347.52)
	Loss before tax and adjustments	**(2,542.62)**	(3,077.39)
	Adjustments and eliminations	**-**	-
	Loss before tax	**(2,542.62)**	(3,077.39)
3	**Segment income / (expense)**		
3.1	**Segment Depreciation, amortisation and impairment expense**		
	Re-Powering	**56.15**	47.00
	Electronic components including Server	**63.77**	48.49
	Machine and fixtures	**-**	-
	Others	**6.35**	6.36
	Total	**126.27**	101.85
	Adjustments and eliminations		
	Depreciation, amortisation and impairment expense	**126.27**	101.85
3.2	**Segment income tax expense / (income)**		
	Re-Powering	**-**	-
	Electronic components including Server	**-**	-
	Machine and fixtures	**-**	-
	Others	**-**	-
	Total	**-**	-
	Adjustments and eliminations		
	Income tax expense	**-**	-

(In ₹ Million)

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
4	**Segment assets**		
	Re-Powering	**468.20**	573.93
	Electronic components including Server	**919.37**	896.44
	Machine and fixtures	**157.60**	5.57
	Others	**1,392.85**	3,233.52
	Total	**2,938.02**	4,709.46
	Less : Intersegment assets	**-**	-
	Total	**2,938.02**	4,709.46
	Adjustments and eliminations	**-**	-
	Total assets	**2,938.02**	4,709.46
5	**Segment liabilities**		
	Re-Powering	**64.36**	97.07
	Electronic components including Server	**128.36**	108.04
	Machine and fixtures	**139.65**	-
	Others	**91.11**	107.50
	Total	**423.48**	312.61
	Less : Intersegment liabilities	**-**	-
	Total	**423.48**	312.61
	Adjustments and eliminations	**-**	-
	Total liabilities	**423.48**	312.61
6	**Other disclosures**		
6.1	**Investment in subsidiaries, associates and joint ventures**		
	Re-Powering	**-**	-
	Electronic components including Server	**-**	-
	Machine and fixtures	**-**	-
	Others	**770.75**	2,560.83
	Total	**770.75**	2,560.83
	Adjustments and eliminations	**-**	-
	Investment in associates and joint ventures	**770.75**	2,560.83

(In ₹ Million)

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
6.2	**Increase/(Decrease) in non-current non-financial asset for the year**		
	Re-Powering	**(121.0)**	3.91
	Electronic components including Server	**(124.2)**	-
	Machine and fixtures	**(1.8)**	-
	Others	**(46.1)**	(166.56)
	Total	**(293.0)**	(162.65)
	Adjustments and eliminations	**-**	-
	Increase in non-current non-financial asset for the year	**(293.0)**	(162.65)
7	**Information in respect of geographical area**		
7.1	**Segment recevenue from external customers**		
	Within India	**1,043.40**	73.23
	Outside India		
	USA	**7.83**	-
	Europe	**0.86**	2.22
	Subtotal	**8.69**	2.22
	Total	**1,052.09**	75.45
7.2	**Segment non-current assets**		
	Within India	**1,088.88**	1,381.88
	Outside India	**-**	-

32 DISCLOSURE PURSUANT TO IND AS 19 ON "EMPLOYEE BENEFITS" :

(a) Defined contribution plans :

The Company makes provident fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the funds. The Company recognized ₹ 12.32 million (31st March, 2025 : ₹ 12.21 million) for the provident fund contributions in the statement of profit and loss. The contributions payable to this plan by the Company are at the rates specified in respective legislations.

(b) Gratuity plan :

The present value of defined benefit obligation and the related current service costs are measured using the projected unit credit method, with actuarial valuations being carried out on yearly basis.

The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in a ll assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below

	Year ended 31st March 2026	Year ended 31st March 2025
Mortality table	**IALM 2012-14 Ult**	IALM 2012-14 Ult
Discount rate	**6.60%**	6.50%
Expected rate of return on plan assets	**6.50%**	7.20%
Salary growth Rate	**6.00%**	9.00%
Average remaining working life (in years)	**22.50**	22.46
Withdrawal rate	**40.00%**	40.00%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Present value of obligation as at the beginning of the year	**7.11**	5.65
Transfer In /(Out)	**(0.15)**	(0.36)
Interest expense	**0.46**	0.36
Past service cost	**1.94**	-
Current service cost	**4.13**	4.71
Benefits paid	**(0.24)**	(0.66)
Remeasurements on obligation [actuarial (Gain) / Loss]	**(3.10)**	(2.59)
Present value of obligation as at the end of the year	**10.15**	7.11

Changes in the fair value of plan assets recognised in the balance sheet are as follows

(In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Fair value of plan assets at the beginning of the year	**7.07**	8.74
Transfer In /(Out)	**(0.07)**	(0.56)
Interest income	**0.56**	0.52
Contributions	**3.48**	0.03
Benefits paid	**(0.24)**	(1.74)
Return on plan assets, excluding amount recognized in interest income - gain / (Loss)	**0.21**	0.08
Fair value of plan assets at the end of the year	**11.01**	7.07
Actual return on plan assets	**0.77**	0.60

Net interest (income/expense)

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest (income) / expense – obligation	**0.46**	0.36
Interest (income) / expense – plan assets	**(0.56)**	(0.52)
Net interest (income) / expense for the year	**(0.10)**	(0.16)

Remeasurement for the year [actuarial (gain)/loss]

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Experience (gain) / loss on plan liabilities	**(2.71)**	(1.57)
Demographic (gain) / loss on plan liabilities	**-**	(1.03)
Financial (gain) / loss on plan liabilities	**(0.39)**	0.02
Experience (gain) / loss on plan assets	**(0.27)**	(0.10)
Financial (gain) / loss on plan assets	**0.06**	0.02

Amount recognised in statement of other comprehensive income (OCI) (In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March 2025
Opening amount recognised in OCI outside profit and loss account	**(1.20)**	1.47
Remeasurement for the period-obligation (gain)/loss	**(3.10)**	(2.59)
Remeasurement for the period-plan assets (gain)/loss	**(0.21)**	(0.08)
Total remeasurement cost/(credit) for the period recognised in OCI	**(3.31)**	(2.67)
Closing amount recognised in OCI outside profit and loss account	**(4.51)**	(1.20)

The amounts to be recognised in the balance sheet (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the end of the period	**10.15**	7.11
Fair value of plan assets as at the end of the period	**11.01**	7.07
Net asset / (liability) to be recognised in balance sheet	**0.86**	(0.04)

Expense recognised in the statement of profit and loss (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current service cost	**4.13**	4.71
Past service cost	**1.94**	-
Net interest (income) / expense	**(0.10)**	(0.16)
Transfer in/(out)	**(0.08)**	0.20
Net periodic benefit cost recognised in the statement of profit and loss	**5.89**	4.75

Reconciliation of net asset/(liability) recognised: (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Net asset / (liability) recognised at the beginning of the period	**(0.04)**	3.09
Company contributions	**3.48**	0.03
Benefits paid to employees of group company	**(0.24)**	(1.74)
Benefits directly paid by company	**0.24**	0.66
Expense recognised at the end of period	**(5.89)**	(4.75)
Amount recognised outside profit & loss for the year	**3.31**	2.67
Mortality charges and taxes	**-**	-
Adjustment to fund	**-**	-
Net asset / (liability) recognised at the end of the period	**0.86**	(0.04)

The Company expects to contribute ₹ 4.1 million to the gratuity fund in the next year (31st March, 2025 : ₹ 3 million)

Sensitivity analysis

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Discount rate	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in discount rate by 100 basis points	**9.96**	6.97
Decrease in discount rate by 100 basis points	**10.36**	7.27

Impact of change in salary growth rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Salary growth rate	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in salary growth rate by 100 basis points	**10.27**	7.21
Decrease in salary growth rate by 100 basis points	**10.04**	7.03

Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Withdrawal rate	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in withdrawal rate by 100 basis points	**10.15**	7.11
Decrease in withdrawal rate by 100 basis points	**10.15**	7.13

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

(In ₹ Million)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Within one year	**0.39**	0.20
After one year but not more than five year	**4.41**	2.55
After five year but not more than ten year	**3.40**	3.71

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 4.13 years (31st March, 2025 - 5.04 years)

(c) Other long term employee benefits:

The table below gives summary of the Company's obligations for other long term employee benefits in the form of compensated absences.

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation	**7.57**	4.56
Fair value of plan assets	**-**	-
Net asset/(liability) recognized in the balance sheet	**(7.57)**	(4.56)

33 Earnings per share (EPS) :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Loss for the year from continuing operations attributable to shareholders (In ₹ Million)	**(2,540.35)**	(2,030.43)
Weighted average number of equity shares in calculating basic EPS (In Nos.)	**860,463,462**	603,280,996
EPS - basic from continuing operations (in ₹)	**(2.95)**	(1.10)
EPS - diluted from continuing operations (in ₹)	**(2.95)**	(1.10)
Loss for the year from discontinuing operations attributable to shareholders (In ₹ Million)	**(2.27)**	(1,046.96)
EPS - basic from discontinued operations (in ₹)	**(0.00)**	(4.00)
EPS - diluted from discontinued operations (in ₹)	**(0.00)**	(4.00)
Loss for the year from continuing and discontinuing operations attributable to shareholders (In ₹ Million)	**(2,542.62)**	(3,077.39)
EPS - basic (in ₹)	**(2.95)**	(5.10)
EPS - diluted (in ₹)	**(2.95)**	(5.10)

34 RELATED PARTY DISCLOSURES :

(i) Names of the related parties and related party relationship

a)	Holding Company	i) Bharat Forge Limited
b)	Subsidiaries	i) Tork Motors Private Limited ii) Lycan Electric Private Limited iii) Kalyani Mobility Inc., USA iv) Electroforge Limited
c)	Joint Ventures	Refu Drive GmbH (W.e.f. 6th August, 2024)
d)	Key management personnel	i) Mr. Pankaj Uttam Sonalkar, Managing Director ii) Mr. Kedar Prakash Dixit, Director iii) Mr. Santosh Kumar Singh , Chief Financial Officer (Resigned w.e.f. 5th February, 2025) iv) Mr. Krishan Kohli, Director (Resigned as Executive Director and Chief Executive Officer w.e.f.. 1st July, 2024) v) Ms. Suchi Gnadhi, Chief Financial Officer (Appointed w.e.f. 5th February, 2025) vi) Ms. Tejaswini Chaudhari, Director vii) Mr. Ashish Gajanan Bhat, Company Secretary@ (Resigned w.e.f. 2nd September, 2025) viii) Mr. Nitin Sudam Yadav, Company Secretary@ (Appointed w.e.f. 5th November, 2025) @ On deputation from Bharat Forge Limited, the Holding Company
e)	Other related parties	i) Kalyani Stratergic Management Services Private Limited ii) Kalyani Transmission Technologies Pvt. Ltd. iii) Akutai Kalyani Charitable Trust iv) Refu Drive GmbH (Upto 5th August, 2024) v) Refu Drive India Private Limited vi) Peach Blossom Investment Pvt Ltd
f)	Post employment benefit trust	i) Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme

(ii) Related parties with whom transactions have taken place during the period

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	**Managerial remuneration**	**Key managerial personnel**		
		Mr. Pankaj Uttam Sonalkar	**25.23**	23.88
		Mr. Santosh Kumar Singh	**-**	6.72
		Ms. Suchi Gandhi	**4.17**	0.79
2	**Issue of share capital**	**Holding Company**		
		Bharat Forge Limited	**657.00**	3,779.50
3	**Reimbursement of expenses received**	**Holding Company**		
		Bharat Forge Limited	**-**	1.65
		Other related parties		
		Kalyani Stratergic Management Services Private Limited	**-**	6.16
4	**Reimbursement of expenses Paid**	**Holding Company**		
		Bharat Forge Limited	**1.04**	2.78
		Other related parties		
		Akutai Kalyani Charitable Trust	**0.07**	0.07
5	**Purchase of assets**	**Holding Company**		
		Bharat Forge Limited	**4.33**	14.00
		Subsidiaries		
		Tork Motors Private Limited	**-**	100.00
		Joint ventures		
		Refu Drive GmbH	**-**	11.13
6	**Finance Provided- Investments**	**Joint ventures**		
		Refu Drive GmbH	**-**	66.84
7	**Finance Provided- Loans**	**Subsidiaries**		
		Electroforge Limited	**23.00**	6.85
		Tork Motors Private Limited	**-**	427.99
		Lycan Electric Private Limited	**41.85**	-
8	**Recovery of loans given**	**Subsidiaries**		
		Electroforge Limited	**-**	2.85
		Tork Motors Private Limited	**-**	0.13

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
9	**Provision for diminution in value of investments**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	849.93
		Kalyani Mobility, Inc.	**775.08**	-
		Joint Venture		
		Refu Drive GmbH	**1,015.00**	
10	**Provision for diminution in value of loan given**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	515.88
		Lycan Electric Private Limited	**41.85**	-
11	**Provision for diminution in value of trade receivables**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	485.49
12	**Corporate guarantee given on behalf of other companies**	**Joint ventures**		
		Refu Drive GmbH	**55.57**	-
13	**Purchase of shares**	**Holding Company**		
		Bharat Forge Limited#	**-**	1,054.50
		# Purchase of shares in Refu Drive GmbH		
14	**Advance given**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	6.89
15	**Advance given repaid**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	6.89
16	**Advance taken**	**Holding Company**		
		Bharat Forge Limited	**10.00**	-
17	**Advance taken repaid**	**Holding Company**		
		Bharat Forge Limited	**10.00**	-
18	**Guarantee commission received**	**Joint Venture**		
		Refu Drive GmbH	**0.29**	-
19	**Interest income**	**Subsidiaries**		
		Tork Motors Private Limited	**-**	1.82
		Electroforge Limited	**20.93**	19.45

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
20	Income from Sale of Goods/ Services	**Holding Company**		
		Bharat Forge Limited	**21.47**	9.79
		Subsidiaries		
		Tork Motors Private Limited	**-**	5.94
		Joint Venture		
		Refu Drive GmbH	**0.86**	0.61
		Other related parties		
		Refu Drive GmbH	**-**	1.62
		Refu Drive India Private Limited	**0.54**	0.33
		Kalyani Transmission Technologies Pvt. Ltd.	**0.59**	-
21	Rent Paid	**Holding Company**		
		Bharat Forge Limited	**24.50**	24.15
22	Security Deposit Paid	**Holding Company**		
		Bharat Forge Limited	**0.02**	-
23	Purchase of Goods/Services	**Holding Company**		
		Bharat Forge Limited	**780.42**	8.24
		Subsidiaries		
		Tork Motors Private Limited	**-**	0.10
		Joint Ventures		
		Refu Drive GmbH	**-**	16.89
		Other related parties		
		Refu Drive GmbH	**-**	12.66
		Refu Drive India Private Limited	**0.02**	1.45
		Peach Blossom Investment Pvt Ltd	**0.03**	0.67

(In ₹ Million)

24	Contributions paid	**Post employment benefit trust**		
		Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme	**3.48**	0.03

(iii) Balances outstanding

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	**Trade payables**	**Holding Company**		
		Bharat Forge Limited	**166.52**	14.51
		Joint Ventures		
		Refu Drive GmbH	**-**	0.07
		Other related parties		
		Peach Blossom Investment Pvt Ltd	**0.03**	-
2	**Payable for capital purchases**	**Holding Company**		
		Bharat Forge Limited	**-**	16.51
3	**Trade receivables**	**Holding Company**		
		Bharat Forge Limited	**-**	9.52
		Subsidiaries		
		Tork Motors Private Limited	**485.49**	485.49
		Joint Ventures		
		Refu Drive GmbH	**1.95**	0.61
		Other related parties		
		Refu Drive India Private Limited	**0.65**	-
4	**Other receivables**	**Holding Company**		
		Bharat Forge Limited	**-**	1.93
5	**Intercorporate loan Given**	**Subsidiaries**		
		Tork Motors Private Limited	**515.88**	515.88
		Electroforge Limited	**287.31**	245.47
		Lycan Electric Private Limited	**41.85**	-
6	**Security Deposit Paid**	**Holding Company**		
		Bharat Forge Limited	**6.13**	6.11
7	**Corporate guarantee given on behalf of other Companies**	**Joint ventures**		
		Refu Drive GmbH	**55.57**	-
8	**Managerial remuneration payable**	**Key Managerial Personnel**		
		Mr. Pankaj Uttam Sonalkar	**1.61**	0.09
		Ms. Suchi Gandhi	**0.30**	-

Note: All transactions were made on normal commercial terms and conditions and at market rates.

35 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

a) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products or services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

b) Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assesses impairment of investments in subsidiaries and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

e) Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

f) Defined benefit plan

The cost of defined benefit gratuity plan and present value of such obligation are determined using actuarial valuation. 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note 32.

g) Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete, slow-moving and items where net realizable value is below cost. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

36 FINANCIAL INSTRUMENTS BY CATEGORY :

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities :

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
Financial assets				
Measured at amortised costs				
Loans	**287.31**	245.47	**287.31**	245.47
Other financial assets	**21.96**	21.24	**21.96**	21.24
Trade Receivable	**65.58**	16.77	**65.58**	16.77
Cash and cash equivalents	**152.72**	72.94	**152.72**	72.94
Total:	**527.57**	356.42	**527.57**	356.42
Financial liabilities				
Measured at amortised costs				
Lease liabilities	**125.50**	150.71	**125.50**	150.71
Trade payables	**268.18**	119.43	**268.18**	119.43
Other financial liabilities	**5.79**	21.15	**5.79**	21.15
Total:	**399.47**	291.29	**399.47**	291.29

Investments in subsidiaries and joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

37 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

38 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk :

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, etc.

i) Equity price risk

The Company's investment in equity instruments comprise of investments in subsidiaries and joint venture which are strategic long term investments. Reports on the equity portfolio are submitted to the

Company's management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any outstanding financial liabities subject to variable interest rates and thus, not exposed to any interest rate flctuation risk.

iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company does not hedge its forein currency exposures.

Foreign currency sensitivity :

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(In ₹ Million)

	Change in USD Rate	Effect on profit before tax	Effect on equity pre-tax
31st March, 2026	**5.00%**	**(0.13)**	**(0.13)**
	-5.00%	**0.13**	**0.13**
31st March, 2025	5.00%	0.91	0.91
	-5.00%	(0.91)	(0.91)

(In ₹ Million)

	Change in EUR Rate	Effect on profit before tax	Effect on equity pre-tax
31st March, 2026	**5.00%**	**0.37**	**0.37**
	-5.00%	**(0.37)**	**(0.37)**
31st March, 2025	5.00%	0.63	0.63
	-5.00%	(0.63)	(0.63)

(In ₹ Millions)

	Change in CNY Rate	Effect on profit before tax	Effect on equity pre-tax
31st March, 2026	**5.00%**	**-**	**-**
	-5.00%	**-**	**-**
31st March, 2025	5.00%	0.08	0.08
	-5.00%	(0.08)	(0.08)

b) Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, other receivables and deposits, foreign exchange transactions and other financial instruments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2026 and 31st March, 2025 is the carrying amounts as illustrated in the respective notes.

i) Trade receivables :

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, Company's customers includes group companies and market-leading manufacturers and service providers from the various diversified sectors. Outstanding customer receivables are regularly monitored and reconciled. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee/letter of credit or security deposits.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped in to homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and subsequent expectation of receipts.

ii) Other receivables, deposits with banks and loans given :

Credit risk from balances with banks, financial institutions is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks and financial institutions were the counterparty risk is minimum.

c) Liquidity risk :

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities

(In ₹ Million)

	Less than 1 year	1 year to 5 years	> 5 years	Total
Year ended 31st March, 2026				
Lease liabilities	**29.18**	**96.32**	**-**	**125.50**
Trade payables	**268.18**	**-**	**-**	**268.18**
Other financial liabilities	**5.79**	**-**		**5.79**
	303.15	**96.32**	**-**	**399.47**
Year ended 31st March, 2025				
Lease liabilities	25.21	125.50	-	150.71
Trade payables	119.43	-	-	119.43
Other financial liabilities	21.15	-		21.15
	165.79	125.50	-	291.29

39 CAPITAL AND OTHER COMMITMENTS :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	**657.84**	657.43
Guarantee given by the Company on behalf of the other companies		
Balance outstanding and Maximum amount	**55.57**	-

40 The Company does not have any contingent liabilities.

41 DETAILS OF UNHEDGED FOREIGN CURRENCY EXPOSURE :

	Foreign Currency	As at 31st March, 2026	
		Foreign Currency	₹ Million
Financial Assets	EUR	**77,925**	**8.49**
Financial Liabilities	USD	**(27,761)**	**(2.63)**
Financial Liabilities	EUR	**(10,800)**	**(1.18)**

	Foreign Currency	As at 31st March, 2025	
		Foreign Currency	₹ Million
Financial Assets	USD	28,129	2.21
Financial Assets	EUR	66,800	6.15
Financial Liabilities	USD	(157,469)	(13.46)
Financial Liabilities	EUR	(815)	(0.08)

42 LEASE :

A Company as lessee

The Company has lease contracts for various items of building and leasehold land, etc. used in its operations. These leases generally have lease terms between 7 to 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of various assets with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

i) The carrying amount of right-of-use assets recognised and the movements during the period:

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Carrying value as at the beginning of the year	**141.91**	172.75
Additions	**-**	-
Depreciation (including depreciation capitalised)	**(30.84)**	(30.84)
Carrying value as at the end of the year	**111.07**	141.91

ii) **The carrying amount of lease liability and the movements during the period:** (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	**150.71**	172.90
Additions during the period	**-**	-
Accretion of interest (including interest capitalised)	**11.90**	13.95
Rent payments	**(37.11)**	(36.14)
Balance at the end of the year	**125.50**	150.71
Current	**29.18**	25.21
Non - current	**96.32**	125.50

iii) **The amounts recognised in statement of profit and loss :** (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation expense of right-of-use assets	**30.84**	30.84
Interest expense on lease liabilities	**11.90**	13.95
Payments towards short term leases	**11.98**	11.94
	54.72	56.73

iv) The Company had total cash outflows for leases of ₹ 49.09 million (31st March, 2025: ₹ 48.08 million).

43 LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Tork Motors Private Limited*		
Balance outstanding	**515.88**	515.88
Maximum amount outstanding during the year	**515.88**	515.88
Electroforge Limited		
Balance outstanding	**287.31**	245.47
Maximum amount outstanding during the year	**287.31**	245.47
Lycan Electric Private Limited		
Balance outstanding	**41.85**	-
Maximum amount outstanding during the year	**41.85**	-

*For related party transactions, refer note 34

44 DISCLOSURES REQUIRED FOR LOAN GIVEN UNDER SEC 186(4) OF THE COMPANIES ACT , 2013

(In ₹ Million)

Name of the borrowing entity	Purpose	As at 31st March, 2026	As at 31st March, 2025
Electroforge Limited#	Capital expenditure	**287.31**	245.47
Tork Motors Private Limited*	General Corporate Purpose	**515.88**	515.88
Lycan Electric Private Limited@	General Corporate Purpose	**41.85**	-

#Receivable after 5 years from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding. Rate of interest of 8.75% p.a.

*Receivable after 1 year from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding. Rate of interest of 8.70% p.a.

@Receivable after 9 months from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding. Rate of interest of 9.25% p.a.

- All loans are unsecured

- Details of investments made have been given in note no. 6

Guarantee given on behalf of

Refu Drive GmbH, Joint Venture Company of ₹ 55.57 million (31st March, 2025 : ₹ Nil) for availing fund based credit facilities from bank.

45 INCOME AND DEFERRED TAXES :

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Accounting loss before tax	**(2,542.62)**	(3,077.39)
At India's enacted tax rate of 25.168% (31st March, 2025 : 17.16%)	**-**	-
Deferred tax at India's enacted tax rate of 25.168% (31st March, 2025 : 17.16%)	**-**	-
Deferred tax savings on current year accounting loss	**(639.08)**	(527.62)
Tax effect of non-deductible expenses/non-taxable income	**430.84**	147.62
Tax effect on non-taxable income	**-**	-
Deferred tax savings not recognised	**208.24**	380.00
At the effective income tax rate	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

b) **Deferred Tax :**

The Company has not recognized deferred tax asset in respect of timing differences on account of business loss aggregating to ₹ 2,031.62 million (31st March, 2025 : ₹ 1,354.93 million) and on account of unabsorbed depreciation aggregating to ₹ 530.66 million (31st March, 2025 : ₹ 336.13 million) under the Income Tax Act, 1961 on the considerations of prudence.

46 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Principal amount due to suppliers under MSMED Act, 2006 * [Includes dues to payable for capital goods amounting to ₹ 1.26 million (Previous Year ₹ 1.26 million)]	**2.70**	3.07
Interest accrued and due to suppliers under on the above amount	**0.28**	0.30
Payment made to suppliers beyond the appointed day, during the year	**44.70**	39.31
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	**-**	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	**-**	-
Interest due and payable to suppliers for the payments already made, during the year	**0.91**	1.91
Interest accrued and remaining unpaid at the end of the year to suppliers	**7.96**	6.77

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

47 EXCEPTIONAL ITEMS

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Provision for impairment of investment in subsidiary[(a)(b)]	**(775.08)**	(849.93)
Provision for impairment of investment in joint venture[(c)]	**(1,015.00)**	-
Provision for impairment of loans given to subsidiary[(b)(d)]	**(41.85)**	(515.88)
Provision for doubful debts[(b)]	**-**	(485.49)
Assets written off[(e)]	**(187.15)**	-
Impairment of assets[(f)]	**-**	(496.22)
Impact of Labour Codes[(g)]	**(3.31)**	-
Total :	**(2,022.39)**	(2,347.52)

(a) During the year, the Company has made provision for impairment in value of investment of ₹ 775.08 million in investment in equity instruments of Kalyani Mobility Inc. The provision is recognised as an exceptional item in the statement of profit and loss.

(b) During the previous year, the Company had made provision for impairment in value of investment of ₹ 849.93 million in investment in equity instruments of Tork Motors Private Limited. The Company has also made provision for doubtful recoveries of loans given of ₹ 515.88 million and trade receivables of ₹ 485.49 million. The provision is recognised as an exceptional item in the statement of profit and loss.

(c) During the year, the Company has made provision for impairment in value of investment of ₹ 1,015 million in investment in equity instruments of Refu Drive GmbH. The provision is recognised as an exceptional item in the statement of profit and loss.

(d) During the year, the Company had made provision for doubtful recoveries of loans given to Lycan Electric Private Limited of ₹ 41.85 million. The provision is recognised as an exceptional item in the statement of profit and loss.

(e) During the year, the Company has written off capital work in progress and inventories of ₹ 135.54 million and ₹ 51.61 million respectively. The provision is recognised as an exceptional item in the statement of profit and loss.

(f) During the previous year, the Company has discontinued operations of manufacturing and assembly plant for electric two-wheeler. The Company has impaired property, plant and equipment, intangible assets and inventories aggregating to ₹ 496.22 million.

(g) On 21st November, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations

Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost and increase in leave liability by ₹ 3.31 million. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Impact of Labour Codes" under "Exceptional Item" in the Statement of Profit and Loss for the year ended 31st March, 2026. The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of the employee benefits liability.

Of the above,		
a) Relating to Continuing Operations	**(2,022.39)**	(1,365.81)
b) Relating to Discontinuing Operations	**-**	(981.71)
	(2,022.39)	(2,347.52)

48 DISCONTINUING OPERATIONS

During the previous year, the management of the Company took a decision of not continue with the manufacturing and supplying of components and assemblies of electric 2 wheelers set up plant in Chakan, Pune (Unit 1). Unit 1 was originally established to support the operations of Tork Motors Private Limited, the Subsidiary Company, for the exclusive purpose of manufacturing and supplying components and assemblies for its electric two-wheeler platform.

However, a material adverse change in the external business environment occurred following the withdrawal of the FAME subsidy. This regulatory change led to a sharp decline in demand for electric two-wheelers and significantly impaired the revenue-generating ability of Tork Motors Private Limited.

During the year, the Company continued to undertake activities necessary to effect the closure of the discontinuing operations, which primarily comprised disposal of residual inventory and settlement of related obligation. The Company also incurred expenses comprising rent, electricity, security, and other costs directly attributable to the discontinued unit.

Financial performance of the discontinuing operations are as under: (In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March, 2025
Revenue	**15.52**	16.31
Cost of sales#	**-**	(20.40)
Expenses	**(17.79)**	(61.16)
Loss before exceptional items and tax	**(2.27)**	(65.25)
Exceptional items loss (Refer note 47)	**-**	(1,365.81)
Loss before tax	**(2.27)**	(1,431.06)
Income tax expense	**-**	-
Loss after tax	**(2.27)**	(1,431.06)
Other comprehensive income from discontinuing operations	**-**	0.05

Cost of sales during the year (before impairment allowance) is ₹ 79.67 million

The net cash inflows/(outflows) of discontinuing operations are as follows (In ₹ Million)

	Year ended 31st March 2026	Year ended 31st March, 2025
Operating	**4.64**	(79.58)
Investing	**(1.26)**	(536.31)
Financing	**(12.53)**	(13.12)
Net cash (outflow)/inflow	**(9.15)**	(629.01)

49 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY THE COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For the year ended 31st March, 2026

During the year, the Company has not given any advance to or granted loan or invested in any other persons or entities for lending or investing in other person or entities.

For the year ended 31st March, 2025

During the year, the Company has not given any advance to or granted loan or invested in any other persons or entities for lending or investing in other person or entities.

50 DETAILS OF FUNDS RECEIVED BY THE COMPANY, FROM ANY OTHER PERSONS OR ENTITIES (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For the year ended 31st March, 2026

Loans : (In ₹ Million)

Name of the funding party	Date of receipt	Amount funded	Name of the beneficiary	Date of further investment into beneficiary	Amount invested into beneficiary
Bharat Forge Ltd.	7/May/25	18.57	Lycan Electric Pvt Ltd	21/May/25	0.75
			Lycan Electric Pvt Ltd	22/May/25	0.75
			Lycan Electric Pvt Ltd	27/May/25	1.28
			Lycan Electric Pvt Ltd	30/May/25	1.00
			Lycan Electric Pvt Ltd	2/Jun/25	1.28
			Lycan Electric Pvt Ltd	5/Jun/25	2.28
			Lycan Electric Pvt Ltd	11/Jun/25	2.75
			Lycan Electric Pvt Ltd	12/Jun/25	1.75
			Lycan Electric Pvt Ltd	17/Jun/25	0.80
			Lycan Electric Pvt Ltd	19/Jun/25	1.20
			Lycan Electric Pvt Ltd	25/Jun/25	0.75
			Lycan Electric Pvt Ltd	26/Jun/25	0.75
			Lycan Electric Pvt Ltd	27/Jun/25	0.75
			Lycan Electric Pvt Ltd	30/Jun/25	2.48
Bharat Forge Ltd.	1/Jul/25	9.34	Lycan Electric Pvt Ltd	1/Jul/25	2.28
			Lycan Electric Pvt Ltd	18/Jul/25	1.05
			Lycan Electric Pvt Ltd	21/Jul/25	1.05
			Lycan Electric Pvt Ltd	25/Jul/25	0.90
			Lycan Electric Pvt Ltd	29/Jul/25	1.18
			Lycan Electric Pvt Ltd	31/Jul/25	1.18
			Lycan Electric Pvt Ltd	14/Aug/25	0.90
			Lycan Electric Pvt Ltd	19/Sep/25	0.80

Loans : (In ₹ Million)

Name of the funding party	Date of receipt	Amount funded	Name of the beneficiary	Date of further investment into beneficiary	Amount invested into beneficiary
Bharat Forge Ltd.	24/Jul/25	18.00	Electroforge Limited	28/Jul/25	18.00
Bharat Forge Ltd.	18/Aug/25	9.80	Electroforge Limited	22/Aug/25	5.00
			Lycan Electric Pvt Ltd	17/Oct/25	1.00
			Lycan Electric Pvt Ltd	27/Oct/25	3.80
Bharat Forge Ltd.	1/Nov/25	3.26	Lycan Electric Pvt Ltd	7/Nov/25	3.26
Bharat Forge Ltd.	19/Nov/25	3.90	Lycan Electric Pvt Ltd	20/Nov/25	3.90
Bharat Forge Ltd.	28/Nov/25	2.00	Lycan Electric Pvt Ltd	28/Nov/25	2.00

For the year ended 31st March, 2025

Investments : (In ₹ Million)

Name of the funding party	Date of receipt	Amount funded	Name of the beneficiary	Date of further investment into beneficiary	Amount invested into beneficiary
Bharat Forge Ltd.	22/Aug/24	1,054.50	Refu Drive GmbH	22/Aug/24	1,054.50
Bharat Forge Ltd.	26/Dec/24	66.84	Refu Drive GmbH	31/Dec/24	66.84

Loans : (In ₹ Million)

Name of the funding party	Date of receipt	Amount funded	Name of the beneficiary	Date of further investment into beneficiary	Amount invested into beneficiary
Bharat Forge Ltd.	9/Aug/24	400.00	Tork Motors Pvt Ltd	30/Aug/24	400.00
	7/Jan/25	4.00	Electroforge Ltd.	8/Jan/25	4.00

51 CAPITAL MANAGEMENT

The Capital management objective of the Company is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants attached to the interest-bearing loans and borrowings. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has adopted the objectives, policies or processes of Bharat Forge Limited, the Holding Company for managing capital.

52 RATIO ANALYSIS :

Sr. No.	Discription	Footnote Ref.	Numerator	Denominator	31st March 2026	31st March 2025	Variance* %
(a)	Current ratio		Current assets	Current liabilities	**2.38**	2.75	-13.27%
(b)	Debt Service Coverage Ratio	(i)	Earnings available for debt service	Debt Service	**(59.50)**	(22.68)	162.37%
(c)	Return on equity ratio		Profit/(Loss) for the year	Average shareholders' equity	**(0.74)**	(0.76)	-3.30%
(d)	Inventory Turnover Ratio	(ii)	Cost of goods sold	Average Inventory	**3.09**	0.24	1182.93%
(e)	Trade Receivables Turnover Ratio	(ii)	Revenue	Average trade receivable	**27.66**	0.33	8261.46%
(f)	Trade Payables Turnover Ratio	(ii)	Purchases + Other expenses	Average trade payables	**6.13**	2.03	202.15%
(g)	Net Capital Turnover Ratio	(ii)	Revenue	Working capital	**2.77**	0.34	711.01%
(h)	Net Profit Ratio	(ii)	Profit for the year	Revenue	**(2.38)**	(34.71)	-93.14%
(i)	Return on capital employeed	(iii)	Earning before interest and taxes	Capital employed= Tangible Net Worth + Total Debt +Deferred Tax	**(1.01)**	(0.68)	48.62%
(j)	Return on investment		Earning before interest and taxes	Average shareholder's Equity	**(0.73)**	(0.74)	-0.52%

(i) The Company had repaid its loans in previous year which has resulted in movement in various ratios.

(ii) Considering the increase in the operations of the Company, various ratios are not comparable with that of previous year.

(iii) The Company has recognised provision for impairment of its investments and other assets. This has resulted in movement in the ratio.

(iv) Since the Company does not have outstanding borrowings at the end of the current as well as previous year, Debt-Equity Ratio cannot be derived.

53 OTHER STATUTORY INFORMATION :

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

(f) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company, and accordingly the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. However, the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The Company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software used for maintaining the books of accounts. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953ZCWIGY6777

Place : Pune
Date : 1st May, 2026

On behalf of the Board of Directors of
Kalyani Powertrain Limited

Pankaj Sonalkar
Managing Director
DIN: 02685465

Krishan Kohli
Director
DIN: 08644811

Suchi Gandhi
Chief Financial Officer

Nitin Yadav
Company Secretary
M No. A47555

Place : Pune
Date : 1st May, 2026

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Kalyani Rafael Advanced Systems Private Limited

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Kalyani Rafael Advanced Systems Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kalyani Rafael Advanced Systems Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 27 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 38 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for the instances reported below:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
- The feature of recording audit trail (edit log) facility was not enabled at the application level for the period 16th November 2025 to 31st March 2026.
- The feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to property, plant and equipment, financial reporting process, purchase to payables, payroll, revenue to receivables and production to inventory for the period 1st April 2025 to 15th November 2025.

Further, for the periods where audit trail facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner

Place: Pune, India
Date: 21 May 2026

Membership No.: 137967
ICAI UDIN:26137967TTBNWY5236

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI RAFAEL ADVANCED SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2026.

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return/ statement subsequently rectified
June 2025	Axis Bank Limited	Inventory	4,536.26	4,518.11	18.15	Yes
September 2025	Axis Bank Limited	Trade receivables	7,178.50	6,722.75	455.75	Yes
September 2025	Axis Bank Limited	Inventory	6,763.32	6,098.66	664.66	Yes
December 2025	Axis Bank Limited	Trade receivables	31,217.37	34,847.61	(3,630.24)	Yes
December 2025	Axis Bank Limited	Inventory	958.70	359.61	599.09	Yes

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or

advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Professional Tax and Goods and Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Gross Demand* (INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	395.92	FY 2020-21	**Commissioner** of Income Tax (Appeals)
Goods and Service Tax, 2017	Goods and Service Tax	128.36	FY 2021-22	Appellate Authority, Telangana

* The above gross demand includes amount paid under protest pertaining to Income tax of INR 50 lakhs and INR 13.46 lakhs for Goods and Service Tax.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner

Place: Pune, India
Date: 21 May 2026

Membership No.: 137967
ICAI UDIN:26137967TTBNWY5236

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI RAFAEL ADVANCED SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2026.

(Referred to in Paragraph 1 under 'Report on the Internal Financial Controls' with reference to the aforesaid Financial Statements under clause (i) of subsection 3 of Section 143 of the Act.

(Referred to in paragraph 2 (A) (g) under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Kalyani Rafael Advanced Systems Private Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner

Place: Pune, India
Date: 21 May 2026

Membership No.: 137967
ICAI UDIN:26137967TTBNWY5236

Balance Sheet

as at March 31, 2026

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
I. Assets			
1. Non-current assets			
a) Property plant and equipment	3A	572.49	528.41
b) Right-of-use assets	3C	89.68	141.11
c) Intangible assets	3B	75.58	14.46
d) Financial assets			
i) Other financial assets	4	12,630.08	169.59
e) Deferred tax assets (net)	35	81.93	71.16
f) Income Tax Assets (net)	15B	678.16	28.99
g) Other non-current assets	5	14.03	37.47
Total Non Current Assets		**14,141.95**	**991.19**
2. Current assets			
a) Inventories	6	1,830.80	2,619.96
b) Financial assets			
i) Trade receivables	7	11,885.08	8,720.85
ii) Cash and cash equivalents	8A	2,561.16	4,823.34
iii) Bank balances other than (ii) above	8B	1,848.90	6,550.04
iv) Other financial assets	4A	1.44	30.66
c) Other current assets	5A	1,369.97	1,543.79
Total Current Assets		**19,497.35**	**24,288.64**
Total Assets (1 + 2)		**33,639.30**	**25,279.83**

Balance Sheet (Contd)

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
II. Equity and Liabilities			
3. Equity			
a) Equity share capital	9	3,980.29	3,980.29
b) Other equity	10	3,928.10	1,772.66
Total Equity		**7,908.39**	**5,752.95**
Liabilities			
4. Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	3D	48.62	121.87
b) Provisions	11	529.02	2.02
Total Non-current liabilities		**577.64**	**123.89**
5. Current liabilities			
a) Financial liabilities			
i) Lease liabilities	3D	73.25	55.73
ii) Trade Payables	12		
Total outstanding dues of micro enterprises and small enterprises		4.67	11.39
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,755.01	14,287.77
iii) Other Financial liabilities	13 A	44.16	25.80
b) Other current liabilities	13 B	2,923.32	5,004.47
c) Provisions	14	352.86	2.10
d) Current Tax Liabilities (net)	15A	-	15.73
Total Current liabilities		**25,153.27**	**19,402.99**
Total Equity and Liabilities (3 + 4 + 5)		**33,639.30**	**25,279.83**
Corporate information and material accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

This is the Balance Sheet referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ankit Agrawal
Partner
Membership No: 137967
Place : Pune
Date : 21 May 2026
ICAI UDIN:26137967TTBNWY5236

For and on behalf of the Board of Directors of
Kalyani Rafael Advanced Systems Private Limited

Vikram Munje
Director
DIN: 02772991
Place: Pune
Date : 05 May 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place: Pune
Date : 05 May 2026

Pranav Walimbe
Company Secretary
Membership No: ACS-75638
Place: Pune
Date : 05 May 2026

Jayaram Mummadi
Chief Executive Officer
Place: Hyderabad
Date : 05 May 2026

Statement of Profit and Loss

for the year ended March 31, 2026

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars		Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Revenue from operations	16	33,549.84	31,808.78
II.	Other income	17	353.33	531.40
III.	**Total income (I + II)**		**33,903.17**	**32,340.18**
IV.	**Expenses**			
	a) Cost of materials consumed	18	18,329.67	3,035.23
	b) Purchases of Stock-in-trade	19	8,287.92	23,237.35
	c) Changes in inventories of finished goods and work in progress	20	503.64	1,978.65
	d) Employee benefits expense	21	385.58	302.10
	e) Finance costs	22	51.81	66.84
	f) Depreciation and amortisation expense	23	248.18	225.77
	g) Other expenses	24	3,233.76	1,583.64
	Total Expenses (IV)		**31,040.56**	**30,429.58**
V.	**Profit before tax (III - IV)**		**2,862.61**	**1,910.60**
VI.	**Tax Expenses**			
	- Current tax	36	721.05	533.19
	- Deferred tax	35	(11.55)	(27.14)
	Total Tax Expenses (VI)		**709.50**	**506.05**
VII.	**Profit for the year (V - VI)**		**2,153.11**	**1,404.55**
VIII.	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit or loss in subsequent period			
	Remeasurements of the defined benefit liability		3.11	1.28
	Income tax effect of above		(0.78)	(0.32)
Total other comprehensive income, net of income tax			**2.33**	**0.96**

Statement of Profit and Loss (Contd)

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
IX. Total Comprehensive income for the year (VII + VIII)		**2,155.44**	**1,405.51**
X. Earnings per equity share - Basic and diluted (face value per equity share ₹ 10/-)	29	**5.41**	**3.53**
Corporate information & material accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ankit Agrawal
Partner
Membership No: 137967
Place : Pune
Date : 21 May 2026
ICAI UDIN:26137967TTBNWY5236

For and on behalf of the Board of Directors of
Kalyani Rafael Advanced Systems Private Limited

Vikram Munje
Director
DIN: 02772991
Place: Pune
Date : 05 May 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place: Pune
Date : 05 May 2026

Pranav Walimbe
Company Secretary
Membership No: ACS-75638
Place: Pune
Date : 05 May 2026

Jayaram Mummadi
Chief Executive Officer
Place: Hyderabad
Date : 05 May 2026

Cash Flow Statement

for the year ended March 31, 2026

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities			
Profit before tax		2,862.61	1,910.60
Adjustments for :			
Depreciation and amortisation		248.18	225.77
Finance costs		51.81	66.84
Loss on sale of Property, Plant and Equipments		7.46	-
Interest Income on financial assets measured at amortised cost		(327.42)	(440.78)
Operating profit before working capital changes		**2,842.64**	**1,762.43**
Movements in working capital :			
(Increase)/Decrease in other financial assets		27.87	(30.66)
Decrease in other assets		174.89	2,955.45
(Increase) in trade receivables		(3,164.23)	(296.66)
Decrease in Inventories		789.16	1,572.37
Increase /(Decrease) in other financial liabilities		18.36	(0.57)
Increase/(Decrease) in Provisions		879.60	(4.43)
Increase in trade payables		7,460.52	1,307.21
(Decrease) in other current liabilities		(2,081.15)	(2,875.48)
Cash generated from operating activities		**6,947.66**	**4,389.66**
Income taxes paid (Net)		(1,385.95)	(566.79)
Net cash flows generated from operating activities	**(A)**	**5,561.71**	**3,822.87**
Cash flows from investing activities			
Acquisition of Property, plant and equipment		(293.88)	(24.18)
Proceeds from sale of Property, plant and equipment		6.84	-
Proceeds from maturity of Bank Deposits		6,333.79	3,676.71
Bank Deposits placed during the year		(14,114.07)	(5,013.85)
Interest received		349.71	489.80
Net cash flows used in investing activities	**(B)**	**(7,717.61)**	**(871.52)**
Cash flows from financing activities			
Payment of Principal portion of Lease Liabilities		(55.73)	(46.82)
Payment of Interest portion of Lease Liabilities		(12.74)	(17.16)
Finance costs		(39.07)	(49.68)
Net cash flows used in financing activities	**(C)**	**(107.54)**	**(113.66)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(2,263.44)**	**2,837.69**

Cash Flow Statement (Contd)

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents at the beginning of the year	**4,823.34**	**1,985.94**
Exchange fluctuation on foreign currency bank balances	1.26	(0.29)
Cash and cash equivalents at the end of the year (Refer Note 8A)	**2,561.16**	**4,823.34**

Note:

1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements.

2. Reconciliation of Financial Liabilities - Lease liabilities:	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	**177.60**	**224.42**
Additions	-	-
Disposals	-	-
Accretion of Interest	12.74	17.16
Payments	(68.47)	(63.98)
Closing Balance	**121.87**	**177.60**
Current	73.25	55.73
Non Current	48.62	121.87

Refer accompanying note 2.15 forming part of the financial statements

This is the Cash flow Statement referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ankit Agrawal
Partner
Membership No: 137967
Place : Pune
Date : 21 May 2026
ICAI UDIN:26137967TTBNWY5236

For and on behalf of the Board of Directors of
Kalyani Rafael Advanced Systems Private Limited

Vikram Munje
Director
DIN: 02772991
Place: Pune
Date : 05 May 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place: Pune
Date : 05 May 2026

Pranav Walimbe
Company Secretary
Membership No: ACS-75638
Place: Pune
Date : 05 May 2026

Jayaram Mummadi
Chief Executive Officer
Place: Hyderabad
Date : 05 May 2026

Statement of Changes in Equity

for the year ended March 31, 2026

[In Indian Rupees (Lakhs), unless otherwise stated]

A Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2025	39,802,943	3,980.29
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	**39,802,943**	**3,980.29**
Balance at April 01, 2024	39,802,943	3,980.29
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	**39,802,943**	**3,980.29**

B Changes in other equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at April 01, 2025	1,772.66	1,772.66
Profit for the year	2,153.11	2,153.11
Other comprehensive income for the year, net of income tax	2.33	2.33
Balance as at March 31, 2026	**3,928.10**	**3,928.10**
Balance at April 01, 2024	367.15	367.15
Profit for the year	1,404.55	1,404.55
Other comprehensive income for the year, net of income tax	0.96	0.96
Balance as at March 31, 2025	**1,772.66**	**1,772.66**

See accompanying notes forming part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ankit Agrawal
Partner
Membership No: 137967
Place : Pune
Date : 21 May 2026
ICAI UDIN:26137967TTBNWY5236

For and on behalf of the Board of Directors of
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Company Secretary
Membership No: ACS-75638
Place: Pune
Date : 05 May 2026

Jayaram Mummadi
Chief Executive Officer
Place: Hyderabad
Date : 05 May 2026

Notes forming part of the Financial Statements

for the year ended March 31, 2026

1. CORPORATE INFORMATION

Kalyani Rafael Advanced Systems Private Limited was incorporated on August 21, 2015, as a private limited company under the Companies Act, 2013.

The Company is formed with the object to engage in business of defence and aerospace that will include activities of conceptualization, research, design, development, production, integration, manufacture, assembly, modification, upgrade overhaul, engineering support, marketing, sales, after sales /product life cycle support and related activities of such programs and to act as off-set partner and/or to undertake off-set activities for original equipment manufacturers in defence, aerospace and other sectors and also to engage in projects and programs floated or to be floated by the Government of India or its instrumentalities or other entities based in India or abroad.

The Company also acts as manufacturer, importer, marketer, agent, distributors, collaborators, or otherwise deals in all types of automatic, semi-automatic, digital, electronic instruments, equipments, apparatus, machineries, tools and their parts, fittings, components and accessories used in health care treatment, diagnosis, research test cure, operation and for saving life or human-being and other allied products.

The Company had set up its manufacturing facilities at Raviryala, Ranga Reddy District, in the state of Telangana, which has been commissioned on August 3, 2017. The CIN of the Company is U29270PN2015PTC156252

2. MATERIAL ACCOUNTING POLICIES:

2.01 Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements are presented in lakhs INR except earnings per share data, number of equity shares and unless stated otherwise. All values are rounded to the nearest lakhs except when otherwise indicated.

2.02 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.18. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.03 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax liabilities, Leases and provisions and contingent liabilities.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A contingent asset is neither recognised nor disclosed in the financial statements.

2.04 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Sale of Goods:

The Company is in the business of defence and aerospace. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of Products/Goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any). The normal credit period allowed by the Company is 45 days against goods.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue includes adjustments made towards liquidated damages wherever applicable. Escalation and other claims, which are not ascertainable/ acknowledged by customers are not taken into account.

b) Sale of Service:

Revenue from Sale of Services is in nature of Maintenance, Repair and Overhaul (MRO) Services for defense equipments on customer product which normally takes 1 – 4 days for completion and MRO services revenue is recognized when services are rendered. The credit period allowed for MRO services is 45 days.

c) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) Bill and Hold arrangements

A bill-and-hold arrangements is a contract under which an entity bills a customer for a goods but the entity retains physical possession of the goods until it is transferred to the customer at a point of time in future. An entity shall determine when it has satisfied its performance obligation to transfer a product by evaluating when a customer obtains control of the goods.

2.05 Foreign Currency

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses and also exchange differences arising on translation at year end exchange rates of monetary assets and monetary liabilities outstanding at the end of the year are recognized in the statement of Profit and Loss.

2.06 Employee benefits

a) Short-term Employee Benefits -

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognised during the year when the employees render the service.

b) Post Employment Benefits -

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme is recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

- net interest expense or income; and
- remeasurement

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a cash accumulation policy with LIC of India for future payment of gratuity to the eligible employees.

(ii) **Compensated Absences**: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.07 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset 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 income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.08 Property, Plant and Equipment

Property plant & equipment are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of Property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on tangible Property plant & equipment has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The maximum useful life considered as per Schedule II to the Companies Act is mentioned below

i) Buildings	30 Years
ii) Tools & Equipments	10 Years
iii) Plant & Machinery	15 Years
iv) Hardware & Computers	3 Years
v) Software	6 Years
vi) Furniture	10 Years
vii) Vehicles	8 years
viii) Office Equipments	5 years

Lease improvement costs are amortised over the period of the lease term.

Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition / till the date of sale/discard.

2.09 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. Amortisation is recognised on written down value method 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.

2.10 Impairment

i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

IND AS 109 requires expected credit losses to be measured through a loss allowance. Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month

expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

2.11 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on moving average price.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis

2.11 A Provision for warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the coming financial years. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

2.12 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose 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 on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Company recognises equity instrument at proceeds received net of direct issue costs.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with IND AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.14 Critical Accounting Judgments and key sources of estimation, uncertainty

The preparation of financial statements and related notes in accordance with IND AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Company's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the company operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

2.15 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in IND AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.16 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities (including of MAT) are classified as non-current assets and liabilities.

2.17 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.18 Fair Value Measurement

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle 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 economic best interest.

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

2.19 New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including loans with covenants. Specifically, regarding the classification of a liability as current or non-current, the amendment eliminates the previous requirement that the right to defer settlement must exist at least 12 months after the reporting period. Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Company has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

2) Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognize supplier finance arrangements as a potential source of liquidity risk concentration. The Company has conducted a review of these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

[In Indian Rupees (Lakhs), unless otherwise stated]

3A. PROPERTY, PLANT AND EQUIPMENT	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Plant and equipment	197.35	294.45
Tools & Instruments	151.49	163.11
Computer equipments	136.16	3.28
Furniture and fixtures	17.02	22.82
Vehicles	38.56	9.85
Office equipment	1.49	2.01
Lease hold improvements	30.42	32.89
TOTAL - Property, plant and equipment	**572.49**	**528.41**

[In Indian Rupees (Lakhs), unless otherwise stated]

Gross Block	Plant and equipment	Tools & Instruments	Computer Equipments	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2024	**913.56**	**442.50**	**353.14**	**67.71**	**24.31**	**15.49**	**559.80**	**2,376.52**
Additions	0.08	-	0.50	1.02	-	0.22		**1.81**
Balance as at March 31, 2025	**913.64**	**442.50**	**353.64**	**68.73**	**24.31**	**15.71**	**559.80**	**2,378.33**
Additions	2.37	22.39	171.56	2.10	39.99	0.17		**238.59**
Disposals	-	-	121.55	-	24.30	-	-	**145.85**
Balance as at March 31, 2026	**916.01**	**464.89**	**403.65**	**70.83**	**40.00**	**15.88**	**559.80**	**2,471.07**

Accumulated depreciation	Plant and equipment	Tools & Instruments	Computer Equipments	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2024	**520.13**	**247.78**	**335.31**	**38.19**	**12.32**	**12.77**	**524.90**	**1,691.38**
Depreciation expense	99.06	31.61	15.05	7.72	2.14	0.93	2.01	**158.52**
Balance as at March 31, 2025	**619.19**	**279.39**	**350.36**	**45.91**	**14.46**	**13.70**	**526.91**	**1,849.90**
Depreciation expense	99.47	34.01	31.22	7.90	4.44	0.69	2.47	**180.21**
Disposals	-	-	114.09	-	17.46	-	-	**131.55**
Balance as at March 31, 2026	**718.66**	**313.40**	**267.49**	**53.81**	**1.44**	**14.39**	**529.38**	**1,898.56**
Net block as on March 31, 2025	294.45	163.11	3.28	22.82	9.85	2.01	32.89	**528.41**
Net block as on March 31, 2026	197.35	151.49	136.16	17.02	38.56	1.49	30.42	**572.49**

3B. INTANGIBLE ASSETS	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Computer Software	75.58	14.46
TOTAL	**75.58**	**14.46**

Gross Block	Computer software	Computer software
Balance as at March 31, 2024	**153.65**	**153.65**
Additions	-	-
Balance as at March 31, 2025	**153.65**	**153.65**
Additions	77.66	77.66
Balance as at March 31, 2026	**231.31**	**231.31**

Accumulated amortisation	Computer software	Computer software
Balance as at March 31, 2024	**123.37**	**123.37**
Amortisation expense	15.82	15.82
Balance as at March 31, 2025	**139.19**	**139.19**
Amortisation expense	16.54	16.54
Balance as at March 31, 2026	**155.73**	**155.73**

3C. RIGHT-OF-USE ASSETS	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Land and Building	89.68	141.11
TOTAL - Right-of-use assets	**89.68**	**141.11**

Cost	Land & Building	Total
Balance as at April 1, 2024	298.85	298.85
Additions	-	-
Deletions	-	-
Balance as at March 31, 2025	298.85	**298.85**
Additions	-	-
Deletions	-	-
Balance as at March 31, 2026	**298.85**	**298.85**

Accumulated amortisation	Land & Building	Total
Balance as at April 1, 2024	**106.31**	**106.31**
Amortisation expense	51.43	51.43
Deletions	-	-
Balance as at March 31, 2025	**157.74**	**157.74**
Amortisation expense	51.43	51.43
Deletions	-	-
Balance as at March 31, 2026	**209.17**	**209.17**

[In Indian Rupees (Lakhs), unless otherwise stated]

3D. LEASES

This note provides the information for leases where the company is a lessee. The company leases leasehold land and Building. Rental contracts are typically made for fixed periods of 5 years. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires no significant judgment. The Company uses judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The following is the Right of use asset

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Leasehold land and Building	89.68	141.11
Total	**89.68**	**141.11**

The corresponding lease liability as per Ind AS 116 is below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current	73.25	55.73
Non - Current	48.62	121.87
Total	**121.87**	**177.60**

Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the amounts relating to leases:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation/ Amortisation charge of right of use of assets:		
Leasehold land and Building	51.43	51.43

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense (included in finance costs)	12.74	17.16
Expense relating to short term leases (included in other expenses)	68.45	-
Expense relating to leases of low- value assets that are not shown above as short term leases (included in other expenses)	-	0.66
The total cash outflow for leases for the year ended 31 March, 2026 was INR 68.47 lakhs (31 March, 2025 INR 63.99 lakhs)		
The effective interest rate for lease liabilities is 8.65% (31 March, 2025 8.65%)		

[In Indian Rupees (Lakhs), unless otherwise stated]

Maturity Analysis - Contractual undiscounted Cash Flows of Leases under the purview of Ind AS 116

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than One Year	73.25	68.47
More than One Year	57.78	131.04
Total Lease Liabilities	**131.03**	**199.51**

4 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	31.74	30.39
Bank deposits with more than 12 months remaining maturity	12,523.01	138.61
Interest accrued but not due on bank deposits above	75.33	0.59
TOTAL :	**12,630.08**	**169.59**

4A OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial instruments measured at amortised cost		
Security deposit	1.44	1.35
Other receivables (Refer Note 26)	-	29.31
TOTAL :	**1.44**	**30.66**

5 OTHER NON-CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	14.03	15.10
Capital Advances	-	22.37
TOTAL :	**14.03**	**37.47**

5A OTHER CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Advance to suppliers	737.53	927.68
b) Balances with Government authorities	607.44	587.77
c) Prepaid expenses	25.00	25.86
d) Net defined benefit asset - Gratuity Plan (Refer Note 33 (b))	-	2.48
TOTAL :	**1,369.97**	**1,543.79**

Note: No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person. For terms and conditions relating to related party advances, refer note 26.

[In Indian Rupees (Lakhs), unless otherwise stated]

6 INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Raw materials	1,812.50	2,070.11
b) Work-in-progress	-	26.52
c) Stores & Spares	-	27.91
d) Finished Goods	18.30	495.42
TOTAL :	**1,830.80**	**2,619.96**

Notes:

1. There are no goods in transit as on 31 March, 2026 and 31 March, 2025

2. There are no write - downs and reversals in inventory for the year ended 31 March, 2026 and 31 March, 2025

7 TRADE RECEIVABLES

Unsecured

Particulars	As at March 31, 2026	As at March 31, 2024
(i) Undisputed trade receivables - considered good	11,764.16	8,696.28
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-
(iii) Undisputed trade receivables - credit impaired	-	-
(iv) Disputed trade receivables - considered doubtful	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-
(vi) Disputed trade receivables - considered doubtful	-	-
Less: Impairment Allowance	(65.08)	(65.08)
Net Trade Receivables Billed	11,699.08	8,631.20
Net Trade Receivables Unbilled	186.00	89.65
TOTAL :	**11,885.08**	**8,720.85**

[In Indian Rupees (Lakhs), unless otherwise stated]

Trade receivables ageing schedule for the year ended as on March 31, 2026

	Particulars	Unbilled	Not Due	Outstanding for following periods from date of invoice: Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
a)	Undisputed trade receivables - considered good	186.00	5,028.26	5,366.64	813.44	319.62	138.39	97.81	**11,950.16**
b)	Undisputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	**-**
c)	Undisputed trade receivables – Credit Impaired		-	-	-	-	-	-	**-**
d)	Disputed trade receivables considered good		-	-	-	-	-	-	**-**
e)	Disputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	**-**
f)	Disputed trade receivables - Credit Impaired		-	-	-	-	-	-	**-**
	TOTAL :	**186.00**	**5,028.26**	**5,366.64**	**813.44**	**319.62**	**138.39**	**97.81**	**11,950.16**
	Less: Impairment Allowance	**-**	**(10.85)**	**(5.30)**	**(11.89)**	**(28.06)**	**(5.26)**	**(3.72)**	**(65.08)**
	Net Trade Receivables	**186.00**	**5,017.42**	**5,361.34**	**801.55**	**291.56**	**133.12**	**94.09**	**11,885.08**
	Weighted- average loss rate	**0%**	**0%**	**0%**	**1%**	**9%**	**4%**	**4%**	

Trade receivables ageing schedule for the year ended as on March 31, 2025:

	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of invoice: Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
a)	Undisputed trade receivables - considered good	89.65	6,609.08	1,321.44	538.56	202.65	23.63	0.92	**8,785.93**
b)	Undisputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	**-**
c)	Undisputed trade receivables – Credit Impaired		-	-	-	-	-	-	**-**
d)	Disputed trade receivables considered good		-	-	-	-	-	-	**-**
e)	Disputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	**-**
f)	Disputed trade receivables - Credit Impaired		-	-	-	-	-	-	**-**
	TOTAL :	**89.65**	**6,609.08**	**1,321.44**	**538.56**	**202.65**	**23.63**	**0.92**	**8,785.93**
	Less: Impairment Allowance	**-**	**-**	**(17.48)**	**(16.77)**	**(23.37)**	**(6.97)**	**(0.49)**	**(65.08)**
	Net Trade Receivables	**89.65**	**6,609.08**	**1,303.96**	**521.79**	**179.28**	**16.66**	**0.43**	**8,720.85**
	Weighted- average loss rate	**0%**	**0%**	**1%**	**3%**	**12%**	**29%**	**53%**	

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business and are non-interest bearing.
2. The normal credit period allowed by the Company ranges from 30 to 45 days against goods and 45 days against services.
3. Refer Related Party note for disclosure of Related Party Transaction balances. (Note 26)

[In Indian Rupees (Lakhs), unless otherwise stated]

8 CASH AND BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
A) Cash and cash equivalent		
a) Balance with banks	2,561.16	4,823.34
TOTAL :	**2,561.16**	**4,823.34**
B) Other Bank balances		
a) Bank Deposits with original maturity of more than three months and remaining maturity are less than 12 months (Refer Note below)	1,832.57	6,436.69
b) Interest accrued but not due on fixed deposits	16.33	113.35
TOTAL :	**1,848.90**	**6,550.04**

Note: Bank deposits earn interest at fixed rates. Short term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

9 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised capital		
80,000,000 equity shares of ₹ 10 each	8,000.00	8,000.00
TOTAL :	**8,000.00**	**8,000.00**
Issued capital		
39,892,943 equity shares of ₹ 10 each	3,989.29	3,989.29
TOTAL :	**3,989.29**	**3,989.29**
Subscribed and fully paid-up capital*		
39,802,943 equity shares of ₹ 10 each	3,980.29	3,980.29
TOTAL :	**3,980.29**	**3,980.29**

*The Board vide its resolution dated September 3, 2016, approved issue of 10,350,000 equity shares of ₹ 10 each at par on rights basis to persons who at the date of offer i.e. September 3, 2016 ("Cut-off Date") were holders of equity shares of the Company. Accordingly, offer for subscription of 10,350,000 equity shares of ₹ 10 each was made to the shareholders as on Cut-off Date, against which the Company was in receipt of acceptance towards subscription of 10,260,000 equity shares of ₹ 10 each along with the application money of ₹ 3.50 per share. The first and final call money against 10,260,000 equity shares of ₹ 10 each was later called upon and these shares were fully paid.

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the year	39,802,943	3,980.29	39,802,943	3,980.29
Add: Shares issued during the year	-	-	-	-
Less: Shares forfeited / bought back during the year	-	-	-	-
No. of shares outstanding at the end of the year	**39,802,943**	**3,980.29**	**39,802,943**	**3,980.29**

[In Indian Rupees (Lakhs), unless otherwise stated]

(b) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity shares of ₹ 10 each fully paid				
Kalyani Strategic Systems Limited	19,901,471	50.00%	19,901,471	50.00%
Rafael Advanced Defense Systems Limited	19,503,442	49.00%	19,503,442	49.00%

(c) Details of Promoter Shareholding in the Company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity shares of ₹ 10 each fully paid				
Kalyani Strategic Systems Limited	19,901,471	50.00%	19,901,471	50.00%
Rafael Advanced Defense Systems Limited	19,503,442	49.00%	19,503,442	49.00%
Kalyani Technoforge Limited	398,030	1.00%	398,030	1.00%

(d) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining amounts after deducting all its liabilities in proportion to the number of equity shares held.

e) Information regarding issue if shares in the last five years

- The Company has not issued any shares without payment being received in cash
- The Company has not issued any bonus shares
- The Company has not undertaken any buy-back of shares

10 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Balance at the beginning of the year	1,772.66	367.15
Profit for the year	2,153.11	1,404.55
Remeasurements of defined benefits plans, net of tax	2.33	0.96
Balance at the end of the year	**3,928.10**	**1,772.66**

Nature and Purpose of Reserves

(a) Retained Earnings

Retained earnings in the Statement of Profit and Loss represents the balance undistributed profits of the Company as on Balance Sheet date.

[In Indian Rupees (Lakhs), unless otherwise stated]

11 NON-CURRENT PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Warranty	517.52	-
Provision For employee benefits		
a) Compensated Absences	6.11	2.02
b) Gratuity (Refer Note 33(b))	5.39	-
TOTAL :	**529.02**	**2.02**

Movement of Warranty Provision	Non current	Current
Opening Balance as on April 1, 2025	-	-
Additions during the year	517.52	345.01
Reversal/ Utilized during the year	-	-
Closing Balance as March 31, 2026	517.52	345.01

12 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables other than acceptances:		
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 28)	4.67	11.39
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	21,755.01	14,287.77
TOTAL :	**21,759.68**	**14,299.16**

[In Indian Rupees (Lakhs), unless otherwise stated]

Trade payables ageing schedule for the year ended as on March 31, 2026:

Particulars	Not Due	Outstanding for following periods from date of invoice				
		Less than 1 year	1-2 years	2 -3 years	More than 3 years	Total
i) Micro and small enterprises	-	4.67	-	-	-	4.67
ii) Others	14,530.08	2,364.74	1,763.51	2,006.39	720.01	21,384.73
iii) Disputed - MSME	-	-	-	-	-	-
iv) Disputed - Others	-	-	-	-	-	-
TOTAL :	**14,530.08**	**2,369.41**	**1,763.51**	**2,006.39**	**720.01**	**21,389.40**
Accrued Expenses	370.27	-	-	-	-	370.27
TOTAL :	**14,900.35**	**2,369.41**	**1,763.51**	**2,006.39**	**720.01**	**21,759.67**

Trade payables ageing schedule for the year ended as on March 31, 2025:

Particulars	Not Due	Outstanding for following periods from date of invoice				
		Less than 1 year	1-2 years	2 -3 years	More than 3 years	Total
i) Micro and small enterprises	-	11.39	-	-	-	11.39
ii) Others	-	9,807.16	1,866.36	2,123.41	21.82	13,818.75
iii) Disputed - MSME	-	-	-	-	-	-
iv) Disputed - Others	-	-	-	-	-	-
TOTAL :	**-**	**9,818.55**	**1,866.36**	**2,123.41**	**21.82**	**13,830.14**
Accrued Expenses	469.02	-	-	-	-	469.02
TOTAL :	**469.02**	**9,818.55**	**1,866.36**	**2,123.41**	**21.82**	**14,299.16**

13 A OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Employee payables	44.16	25.80
TOTAL :	**44.16**	**25.80**

13 B OTHER CURRENT LIABILITIES :

Particulars	As at March 31, 2026	As at March 31, 2025
a) Statutory liabilities (other than income-tax)	317.77	41.98
b) Contract liabilities*	2,605.55	4,962.49
TOTAL :	**2,923.32**	**5,004.47**

***Note:** The Contract liabilities primarily relate to the advance consideration received on contracts entered with customer for which performance obligations are yet to be performed, therefore, revenue will be recognised when the goods are passed on to the customers. Refer note 26 for related party balances.
Refer note 16 for movement of contract liability

[In Indian Rupees (Lakhs), unless otherwise stated]

14 CURRENT PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
a) Provision for Warranty	345.01	-
b) Compensated Absences	5.10	2.10
c) Gratuity (Refer Note 33(b))	2.75	-
TOTAL :	**352.86**	**2.10**

15 A CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Income tax (net of taxes paid)	-	15.73
TOTAL :	**-**	**15.73**

15 B INCOME TAX ASSETS (NET OF TAXES PAID)

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Assets (net of taxes paid)	678.16	28.99
TOTAL :	**678.16**	**28.99**

16 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Revenue from sale of goods	32,139.24	30,856.54
b) Revenue from services	1,410.60	952.24
TOTAL :	**33,549.84**	**31,808.78**

Identifying performance obligation

Company enters into a contract with customer for sale of products & services which are to be produced using the Sub assemblies and various mechanical parts.

The Company satisfies its performance obligation pertaining to the sale of product at a point in time when the control of goods is actually transferred to the customers. The control of goods is transferred to the customer based on the delivery terms.

No significant judgement is involved in evaluating when a customer obtains control of promised goods. The payment is generally due within 30-45 days. There are no obligations on account of refunds or returns.

Determination of timing of satisfaction of performance obligation for sale of products & services

The Company concluded that revenue for sale of products & services is to be recognised at point in time because it does not meet the criteria for recognising revenue over a period of time. The Company has applied judgment in determining the point when the control of the products & services are transferred based on the criteria's mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices.

Disclosure for transaction price allocated to the remaining performance obligations

There is no remaining performance obligation for any contract for which revenue has been recognised till period end.

[In Indian Rupees (Lakhs), unless otherwise stated]

Further, in accordance with paragraph 121 of Ind AS 115, the Company is not required to disclose information about its remaining performance obligation since the Company does not have any performance obligation that has an original expected duration of more than one year.

Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance

The transaction price ascertained for the single performance obligation of the Company (i.e. sale of products) is agreed in the contract with the customer.

Details of contract balances

There are no contract assets as at 31 March 2026 and 31 March 2025. Refer note 7 for information on trade receivables and unbilled receivables.

Details of contracts liabilities:

The following table provides information about contract liabilities from contracts with customers:

Particulars	As on March 31, 2026	As on March 31, 2025
Contract liabilities	2,605.55	4,962.49

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended 31 March 2026 and 31 March 2025 are as follows:

Particulars	As on March 31, 2026	As on March 31, 2025
Contract liabilities at the beginning of the year	4,962.49	7,850.49
Less : Revenue recognised that was included in the advance from customers balance at the beginning of the year	4,253.49	3,614.70
Add : Increase due to cash received, excluding amounts recognised as revenue during the year	1,896.55	726.70
Contract liabilities at the end of the year	2,605.55	4,962.49

Changes in Unbilled Revenue during the year ended 31 March 2026 and 31 March 2025 are as follows:

Particulars	As on March 31, 2026	As on March 31, 2025
Balance at the beginning of the year	89.65	-
Add: Revenue recognized during the year	186.00	31,808.78
Less: Invoiced during the year	89.65	31,719.13
Closing balance at the end of the year	186.00	89.65

[In Indian Rupees (Lakhs), unless otherwise stated]

Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers :

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Trading	Manufacturing	Total	Trading	Manufacturing	Total
Sale of products						
-Sale of goods	8,413.43	23,725.81	32,139.24	24,469.86	6,386.68	30,856.54
-Sale of service*	1,410.60	-	1,410.60	952.24	-	952.24
Total revenue	**9,824.03**	**23,725.81**	**33,549.84**	**25,422.10**	**6,386.68**	**31,808.78**
Geographical Markets						
a. Within India	-	19,071.82	19,071.82	369.90	2.09	371.99
b. Outside India	9,824.03	4,653.99	14,478.02	25,052.20	6,384.59	31,436.79
Total revenue from contracts with customers	**9,824.03**	**23,725.81**	**33,549.84**	**25,422.10**	**6,386.68**	**31,808.78**
Timing of revenue recognition						
Goods transferred at a point in time	5,790.78	22,435.33	28,226.11	23,314.66	6,386.68	29,701.34
Bill and Hold transaction	2,622.65	1,290.48	3,913.13	1,155.20	-	1,155.20
Services transferred at a point in time*	1,410.60	-	1,410.60	952.24	-	952.24
Total revenue from contracts with customers	**9,824.03**	**23,725.81**	**33,549.84**	**25,422.10**	**6,386.68**	**31,808.78**

*These services are pre dominantly provided to the customers of traded goods and hence included under trading.

Reconciliation for revenue as per Statement of profit & loss and the contracted price arising on account of various adjustments

Revenue Reconciliation	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised as per Statement of profit & loss	33,549.84	31,808.78
Liquidated damages	3,571.53	-
Other Adjustments	1,190.51	-
Contract Price	**38,311.88**	**31,808.78**

Refer note 13 B for details of contract liability and note 7 for trade receivables

17 OTHER INCOME

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Interest income		
(i) Bank deposits	327.42	440.78
(ii) Others	-	1.35
b) Miscellaneous Income	-	7.49
c) Net gain from Foreign Exchange fluctuation	25.91	81.78
TOTAL :	**353.33**	**531.40**

[In Indian Rupees (Lakhs), unless otherwise stated]

18 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening stock of raw materials	2,070.11	1,656.33
Add: Purchases	18,072.06	3,449.01
Less: Closing stock of raw materials	1,812.50	2,070.11
TOTAL : Cost of materials consumed	**18,329.67**	**3,035.23**

19 PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchases of stock-in-trade	8,287.92	23,237.35
TOTAL :	**8,287.92**	**23,237.35**

20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the end of the year:		
Work-in-progress	-	26.52
Finished goods	18.30	495.42
Inventories at the beginning of the year:		
Work-in-progress	26.52	1,350.38
Finished goods	495.42	1,150.21
Net Decrease of inventories in finished goods and work in progress	**503.64**	**1,978.65**

21 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Salaries and wages	349.33	281.86
b) Contribution to provident and other funds (Refer note 33)	13.93	11.90
c) Staff welfare expenses	22.32	8.34
TOTAL :	**385.58**	**302.10**

22 FINANCE COSTS

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Other borrowing cost - Finance charges	39.07	49.67
b) Interest on lease liabilities	12.74	17.16
c) Interest expenses - Gratuity	-	0.01
TOTAL :	**51.81**	**66.84**

[In Indian Rupees (Lakhs), unless otherwise stated]

23 DEPRECIATION AND AMORTIZATION EXPENSE:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Depreciation of property, plant and equipment (Refer Note 3A)	180.21	158.52
b) Amortisation of intangible assets (Refer Note 3B)	16.54	15.82
c) Amortisation of right-of-use assets (Refer Note 3C)	51.43	51.43
TOTAL :	**248.18**	**225.77**

24 OTHER EXPENSES

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Cost of Services- maintenance, repair and overhaul	1,099.44	814.33
b) Warranty expenses	862.53	-
c) Equipment Hire Charges	283.06	-
d) Project transfer and training cost	207.99	321.59
e) Freight Outward Charges	132.51	-
f) IT Maintenance charges	87.01	29.48
g) Rental Expenses	68.45	-
h) Rates, insurance and taxes	88.09	44.61
i) Legal and professional fees	43.81	24.60
j) Payment to auditors (Refer note below)	20.00	20.00
k) Provision for impairment allowance for financial assets	-	65.08
l) Corporate Social Responsibility (Refer Note No. 39)	18.82	6.24
m) Loss on sale of Property, Plant and Equipments	7.46	-
n) Miscellaneous expenses	314.59	257.72
TOTAL :	**3,233.76**	**1,583.64**

Note: Payment to Statutory Auditors

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment to Auditor's comprises:		
i) For Audit	17.00	17.00
ii) Reimbursement of expenses	3.00	3.00
Total	**20.00**	**20.00**

[In Indian Rupees (Lakhs), unless otherwise stated]

25 SEGMENT REPORTING :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Board of Directors and Chief Executive Officer of the company are the CODM for the purpose of segment reporting. The Company is engaged in the business of defence and aerospace that will include activities of conceptualisation, research, design, development, production, integration, manufacture, assembly, modification, upgrade overhaul, engineering support, marketing, sales, after sales / product life cycle support and related activities of such programmes and to act as off-set partner and / or to undertake offset activities for original equipment manufacturers in defence, aerospace and other sectors. The Company's business is divided into two reportable segments which comprise "manufacturing" and "trading".

The Manufacturing segment of the company during the year has been involved in system integration and testing of sub-systems of defence equipments.

The Trading segment of the company is engaged in trading of goods in relation to defence equipments.

There are no inter segment revenue or expenses and hence the information to that extent is not disclosed.

A. Operating Segment

Operating segment is a component of the company whose operating results is regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators.

B. Information about major customers

Revenue from two customers is ₹ 33,521.41 lakhs which is more than 10 percent of the total revenue individually for the year ended 31 March, 2026.

Revenue from one customer is ₹ 31,429.48 Lakhs which is more than 10 percent of the total revenue for the year ended 31 March, 2025.

C. Geographical segment : Entity wide disclosures

The Company is domiciled in India. The amount of its revenue from external customers broke down by geography is shown in Note 16. The Non-current assets of the company are located in India and accordingly management is of the view that seperate disclosue for these is not required.

[In Indian Rupees (Lakhs), unless otherwise stated]

31-Mar-26	Manufacturing	Trading	Unallocable	Total
Revenue	23,725.81	9,824.03	-	33,549.84
Income/ (Expenses)	(20,201.31)	(9,405.44)	(780.49)	(30,387.24)
Depreciation and amortisation expense	(133.48)	-	(114.70)	(248.18)
Segment profit (Earnings Before Interest and Tax) (EBIT)	3,391.02	418.59	(895.19)	2,914.42
Finance cost	(39.07)	-	(12.74)	(51.81)
Profit/(loss) before tax	3,351.95	418.59	(907.93)	2,862.61
(Earnings Before Interest, Depreciation,Amortisation and Tax) (EBITDA)	3,524.50	418.59	(780.49)	3,162.60
Total assets	25,662.58	5,546.74	2,429.98	33,639.30
Total Non-current Assets	12,946.34	-	1,195.61	14,141.95
Total liabilities	20,944.97	4,468.90	317.04	25,730.91
Addition to Property, Plant and Equipment	24.76	-	291.49	316.25

31-Mar-25	Manufacturing	Trading	Unallocable	Total
Revenue	6,386.68	25,422.10	-	31,808.78
Income/ (Expenses)	(5,204.65)	(24,115.38)	(285.54)	(29,605.57)
Depreciation and amortisation expense	(130.67)	-	(95.10)	(225.77)
Segment profit (Earnings Before Interest and Tax) (EBIT)	1,051.36	1,306.72	(380.64)	1,977.44
Finance cost	(49.67)	-	(17.17)	(66.84)
Profit/(loss) before tax	1,001.69	1,306.72	(397.81)	1,910.60
(Earnings Before Interest, Depreciation,Amortisation and Tax) (EBITDA)	1,182.03	1,306.72	(285.54)	2,203.21
Total assets	8,323.39	10,951.35	6,005.09	25,279.83
Total Non-current Assets	457.56	-	533.63	991.19
Total liabilities	10,273.33	8,988.32	265.23	19,526.88
Addition to Property, Plant and Equipment	0.08	-	1.73	1.81

26 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Ultimate Holding Company :	Bharat Forge Limited
Holding Company :	Kalyani Strategic Systems Limited
Enterprise having significant influence over the Company:	Rafael Advanced Defense Systems Limited, Israel
Common shareholders having significant influence over the company	Astra Rafael Comsys Pvt Ltd
Key Managerial Personnel	Jayaram Mummadi - Chief Executive Officer (wef 10 August, 2024)
	Vikram Manohar Munje - Director
	Rajinder Singh Bhatia - Director
	Tzvi Marmor - Director
	Alon Shlomy - Director
	Nikita Naik - Company Secretary (Resigned) (wef 09 August, 2024)
	Soma Dutta - Company Secretary (Resigned) (10 August, 2024 till 23 December, 2024)
	Anirvinna Bhave - Company Secretary (Resigned) (06 February, 2025 till 15 May, 2025)
	Pranav Walimbe - Company Secretary (wef 25 July, 2025)

[In Indian Rupees (Lakhs), unless otherwise stated]

(ii) Related parties with whom transactions have taken place during the year

Sr. No.	Nature of transaction	Astra Rafael Comsys Pvt Ltd	Rafael Advanced Defense Systems Limited	Bharat Forge Limited	Total
1	Sale of goods	28.43	13,067.42	-	13,095.85
		(10.54)	(30,477.24)	-	(30,487.78)
2	Sale of services	-	1,410.60	-	1,410.60
		-	(952.24)	-	(952.24)
3	Purchase of raw materials	-	17,047.18		17,047.18
		-	(3,540.20)	-	(3,540.20)
4	Reimbursement of expenses	-	-	-	-
		-	-	(24.84)	(24.84)
5	Project transfer and training cost	-	207.99	-	207.99
		-	(321.59)	-	(321.59)

* Figures in brackets represents details for the year ended 31 March 2025

[In Indian Rupees (Lakhs), unless otherwise stated]

(ii) Balances outstanding

Sr. No.	Nature of Balances	Rafael Advanced Defense Systems Limited	Bharat Forge Limited	Total
1	Trade Receivable**	6,645.47		6,645.47
		(8,693.14)	-	(8,758.22)
2	Trade Payables	17,762.29	-	17,762.29
		(7,068.78)	-	(7,068.78)
3	Other Receivables	-	-	-
		-	(29.31)	(29.31)
4	Contract Liability	828.06	-	828.06
		(1,305.29)	-	(1,305.29)

* Figures in brackets represents details for the year ended 31 March 2025

** Net of Expected Credit Loss INR 65.08 Lakhs (31 March 2025 : INR 65.08 Lakhs)

Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

[In Indian Rupees (Lakhs), unless otherwise stated]

(iii) Remuneration to Key Managerial Personnel

	March 31, 2026	March 31, 2025
Short term employment benefits	65.58	39.08
Post-employment benefits	3.20	2.40
Total	**68.78**	**41.48**

27 CONTINGENT LIABILITIES & COMMITMENTS

Particulars		As at March 31, 2026	As at March 31, 2025
a)	Contingent liabilities-Direct tax and transfer pricing (Refer note i)	395.92	362.79
b)	Contingent liabilities-Indirect tax (Refer note ii)	128.36	-
c)	Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances Nil and 31st March, 2025 INR 22.37 Lakhs)	-	22.37

Note:

i) The company has received a transfer pricing demand order where an upward adjustment was proposed amonting to INR 688.05 lakhs having tax impact of INR 249.98 lakhs and accrued interest of INR 145.94 lakhs. The company has appealed against the said order. The management on basis of opinion of legal consultant believes that the ultimate outcome of the above proceeding will not have a material adverse effect on the company's financial position and results of operations.

ii) Pertains to on going litigation under Goods and Service Tax Act, 2017

[In Indian Rupees (Lakhs), unless otherwise stated]

28 DUES TO MICRO AND SMALL ENTERPRISES

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act (MSME), 2006

The identification of suppliers as micro and small enterprises covered under the "Micro Small and Medium Enterprises Development Act 2006" was done on the basis of the information to the extent provided by the supplier to the Group. Total outstanding to Micro and Small Enterprises, which were outstanding are given below:

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
	The amounts remaining unpaid to micro and small suppliers at the end of the year:		
i)	Principal	4.67	11.39
ii)	Interest due thereon	0.14	-
iii)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	– Principal paid beyond the appointed date	-	-
	– Interest paid in terms of Section 16 of the MSMED Act	-	-
iv)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	0.29	-
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.43	-
vi)	Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

29 EARNINGS PER SHARE (EPS)

a) Calculation of basic and diluted earnings per share
Basic earnings per share and diluted earnings per share are calculated by dividing the profit attributable to the parent Company's shareholders by the weighted average number of ordinary shares in the year.

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Per Share	₹ Per Share
Basic earning per share	5.41	3.53
Diluted earning per share	5.41	3.53

b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Particulars		As at March 31, 2026	As at March 31, 2025
i)	Profit for the year attributable to equity shareholders	₹ Lakhs	2,153.11	1,404.55
ii)	Weighted average number of equity shares	Nos.	39,802,943	39,802,943
iii)	Weighted average number of equity shares used in the calculation of Diluted EPS		39,802,943	39,802,943
iv)	Earning per share - Basic and diluted	₹	**5.41**	**3.53**

30 FINANCIAL INSTRUMENTS AND RISK REVIEW

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Calculation of Gearing ratio.	March 31, 2026	March 31, 2025
Net Financial Surplus	7,000.96	5,791.91
Equity	7,908.39	5,752.95
Total Capital Employed	907.43	(38.96)
Gearing Ratio	#	#

Gearing ratio is not applicable since the Company has no Net Financial Debt.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial liabilities comprise of lease liabilities and trade payables. The company's principal financial assets including trade and other receivables and cash and cash equivalent that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below :

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom the Company grants credit terms in the normal course of business. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and bank balances and bank deposits.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business;

(ii) Actual or expected significant changes in the operating results of the counterparty;

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations;

(iv) Significant increases in credit risk on other financial instruments of the same counterparty.

The Company provides for expected credit loss (ECL) in case of trade receivables and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a receivable for provision for doubtful debts/write

off when a debtor fails to make contractual payments. The amount of provision depends on certain parameters set by the Company in its provisioning policy. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss in the period in which recovery is made. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Provision for expected credit loss

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. In addition the Company provides for expected credit loss based on case to case basis.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Reconciliation of loss provisions

Particulars	3/31/2026	3/31/2025
Balance at the beginning of the year	65.08	-
Addition during the year	-	65.08
Amount written off during the year	-	-
Balance at the end of the year	65.08	65.08

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹11,885.08 Lakhs and ₹ 8,720.85 Lakhs as of March 31, 2026 and March 31, 2025 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Market Risk

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 risk comprises three types of risk: Interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entity. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the respective functional currency of the Company.

31 Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise

The below table represents the unhedged foreign currency in Indian Rupees

Particulars	Currency in ₹ Lakhs	As at March 31, 2026	As at March 31, 2025
Assets			
Trade receivables	INR	6,645.47	8,692.29
Cash & Bank balances	INR	275.50	4,353.96
Liabilities			
Trade payables	INR	18,594.61	10,409.40

The below table represents the unhedged foreign currency in respective currencies

Particulars	Currency in Lakhs	As at March 31, 2026	As at March 31, 2025
Assets			
Trade receivables	USD	70.21	101.57
Cash & Bank balances	USD	2.91	50.88
Liabilities			
Trade payables	USD	196.45	121.63

Sensitivity analysis

The Company's exposure to foreign currency mainly arises on account of transactions undertaken in currency other than its functional currency viz. USD.

The following table demonstrates the sensitivity to a reasonable possible change in USD exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

For the year ended	Currency	Change in rate	Effect on pre-tax equity
March 31, 2026	USD	+10%	(1,167.36)
	USD	-10%	1,167.36
March 31, 2025	USD	+10%	263.68
	USD	-10%	(263.68)

iii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per 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.

[In Indian Rupees (Lakhs), unless otherwise stated]

b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its 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 tables include both interest and principal cash flows.

Particulars	March 31, 2026		March 31, 2025	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 Year
Financial liabilities				
Trade payables (Note No. 12)	21,759.68	-	14,299.16	-
Other finacial liabilities (Note No. 13A)	44.16	-	25.80	-
Lease Liabilities (Refer note 3D)	73.25	57.78	68.47	131.04

32 FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

Particulars	Fair value hierarchy	Carrying amount		Fair Value	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
FINANCIAL ASSETS					
Financial assets measured at amortised cost					
(a) Security deposits	Amortised Cost	33.19	31.74	33.19	31.74
(b) Other financial assets	Amortised Cost	-	29.30	-	29.30
(c) Balance with banks in current account	Amortised Cost	2,561.16	4,823.34	2,561.16	4,823.34
(d) Balances with banks in deposit accounts	Amortised Cost	14,447.24	6,689.24	14,447.24	6,689.24
(e) Trade receivables	Amortised Cost	11,885.08	8,720.85	11,885.08	8,720.85
TOTAL FINANCIAL ASSETS		**28,926.67**	**20,294.47**	**28,926.67**	**20,294.47**
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
(a) Other Financial Liabilities	Amortised Cost	44.16	25.80	44.16	25.80
(b) Trade Payable	Amortised Cost	21,759.68	14,299.16	21,759.68	14,299.16
(c) Lease Liabilities	Amortised Cost	121.87	177.60	121.87	177.60
TOTAL FINANCIAL LIABILITIES		**21,925.71**	**14,502.56**	**21,925.71**	**14,502.56**

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount 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, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Security deposit paid are evaluated by the Company based on parameters such as interest rate non performance risk of the customer. The fair value of the Company's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.

(c) The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lessor, If not readily determinable , using the incremental borrowing rates. 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.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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:

Level 1: Quoted (unadjusted) price is active market for identical assets or labilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed , either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

33 EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized ₹ 13.93 Lakhs (31 March 25- ₹ 11.90 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The provident fund payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The Plan is funded as on the valuation date.

Defined benefit plans – as per actuarial valuation on March 31, 2026

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Funded Plan	
	Gratuity	
	March 31, 2026	**March 31, 2025**
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Past service cost and (gains)/losses from settlements	9.70	-
Current Service Cost	5.94	4.09
Net interest expense	(0.23)	0.01
Components of defined benefit costs recognised in profit or loss	**15.41**	**4.10**
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.11	(0.07)
Actuarial gains and loss arising from changes in financial assumptions	0.12	0.17
Actuarial gains and loss arising from experience adjustments	(1.28)	(2.11)
Actuarial gains and loss arising from demographic adjustments	(1.85)	0.73
Components of defined benefit costs recognised in other comprehensive income	**(2.90)**	**(1.28)**
TotaL amount recognised in profit and loss and other comprehensive income	**12.51**	**2.82**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	24.08	10.72
2. Fair value of plan assets as at 31st March	15.94	13.20
3. Surplus/(Deficit)	(8.14)	2.48
4. Current portion of the above	**2.75**	**2.48**
5. Non current portion of the above	**5.39**	**-**

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Funded Plan	
	Gratuity	
	March 31, 2026	March 31, 2025
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**10.72**	**7.32**
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	5.94	4.09
- Past Service Cost	9.70	-
- Interest Expense (Income)	0.73	0.52
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(1.85)	0.73
ii. Financial Assumptions	0.12	0.17
iii. Experience Adjustments	(1.28)	(2.11)
iv. Return on plan asset	-	-
5. Benefit payments	-	-
6. Present value of defined benefit obligation at the end of the year	**24.08**	**10.72**
III. Change in fair value of assets during the year ended 31st March, 2026		
1. Fair value of plan assets at the beginning of the year	13.20	1.61
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	0.95	0.51
4. Recognised in Other Comprehensive Income		-
Remeasurement gains / (losses)		-
- Actual Return on plan assets in excess of the expected return	0.11	0.06
5. Contributions by employer (including benefit payments recoverable)	1.67	11.02
6. Benefit payments		
2. Fair value of plan assets at the end of the year	**15.94**	**13.20**
IV. The Major categories of plan assets (As % of Total Plan Assets)		
- Funds Managed By Insurer	100%	100%

[In Indian Rupees (Lakhs), unless otherwise stated]

Particulars	Funded Plan	
	Gratuity	
	March 31, 2026	March 31, 2025
V. Actuarial assumptions		
1. Discount rate	7.10%	6.80%
2. Expected rate of return on plan assets	6.80%	7.10%
3. Attrition rate	17.00%	17.00%
4. Salary escalation rate	10%	10%

Maturity Profile of Defined Benefit Obligation:

Year Ending March 31	Expected Benefit Payment in lakhs (₹)
2027	2.62
2028	5.06
2029	2.73
2030	4.17
2031	4.66
2032-2036	43.02

The weighted average duration of Defined benefit obligation is 8.34 years (March 31, 2025 is 8.96 years).

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	March 31, 2026 ₹ In Lakhs	March 31, 2025 ₹ In Lakhs	March 31, 2026 ₹ In Lakhs	March 31, 2025 ₹ In Lakhs
Defined Benefit Obligation	23.49	10.18	24.71	11.31

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	March 31, 2026 ₹ In Lakhs	March 31, 2025 ₹ In Lakhs	March 31, 2026 ₹ In Lakhs	March 31, 2024 ₹ In Lakhs
Defined Benefit Obligation	24.46	11.19	23.72	10.29

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase		1% Decrease	
	March 31, 2026 ₹ In Lakhs	March 31, 2025 ₹ In Lakhs	March 31, 2026 ₹ In Lakhs	March 31, 2025 ₹ In Lakhs
Defined Benefit Obligation	24.03	10.64	24.13	10.80

VI. Experience Adjustments:	Year Ended March 31, 2026 ₹ In Lakhs	Year Ended March 31, 2025 ₹ In Lakhs
	Gratuity	
1. Defined Benefit Obligation	24.08	7.32
2. Fair value of plan assets	15.94	1.61
3. Surplus/(Deficit)	(8.14)	(5.71)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(1.28)	0.69
5. Experience adjustment on plan assets [Gain/(Loss)]	(0.15)	0.01

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

[In Indian Rupees (Lakhs), unless otherwise stated]

34 RATIOS

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variation	Explanation
(a) Current Ratio (in times)	Current assets	Current liabilities	0.78	1.25	-38%	Note 1
(b) Debt-Equity Ratio (in times)	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.02	0.03	-50%	Note 2
(c) Debt Service Coverage Ratio (in times)	Earnings available for debt service[2]	Debt Service [3]	35.94	27.99	28%	Note 2
(d) Return on Equity (ROE) (in %)	Net Profits after taxes	Average Shareholder's Equity	32%	28%	13%	-
(e) Inventory turnover ratio (in times)	Sales	Average Inventory	15.08	9.34	61%	Note 3
(f) Trade Receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivable	3.26	3.71	-12%	-
(g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	1.46	1.96	-25%	Note 1
(h) Net capital turnover ratio (in times)	Sales	Working Capital	-5.93	6.51	-191%	Note 4
(i) Net profit ratio (in %)	Net Profits after taxes	Sales	6.42%	4.42%	45%	Note 2
(j) Return on Capital employed (in %)	Earning before interest and taxes	Capital Employed[4]	42%	33%	25%	Note 2

[1] Debt represents only lease liabilities

[2] Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

[3] Lease payments for the current year

[4] Tangible net worth + deferred tax liabilities + Lease Liabilities

[5] Return on investment ratio is not applicable as the Company does not have any investments in the current year and previous year

Explanations:

Note 1 : Due to increase in Trade Payables for the current year

Note 2 : Due to increase in Profit for the current year

Note 3 : Due to increase in Sales and decrease in Closing Inventory for the current year

Note 4 : Change is on account of surplus funds being parked in fixed deposits exceeding 12 months and hence not being considered as a part of working capital, resulting in overall change in the ratio

[In Indian Rupees (Lakhs), unless otherwise stated]

35 DEFERRED TAX ASSETS (NET)

Nature of Timing Difference	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability		
Items related to OCI	(0.78)	(0.32)
Right of Use Assets related	22.57	35.52
Total (A)	**21.79**	**35.20**
Deferred Tax Asset		
Property, plant and equipment	50.32	45.27
Impairment Allowance	16.39	16.39
Lease liabilities related	30.67	44.70
Disallowances under Income Tax Act, 1961, allowed on payment basis	6.34	-
Total (B)	**103.72**	**106.36**
Deferred Tax Asset (Net) (A)+(B)	**81.93**	**71.16**

[In Indian Rupees (Lakhs), unless otherwise stated]

31 March 2026	Opening Balance	Recognized in Profit & Loss	Recognized in Other Comprehensive Income	Total
Deferred Tax Asset / (Liability)				
Property, Plant & Equipment	45.27	5.05	-	50.32
Impairment Allowance	16.39	-	-	16.39
Remeasurement Defined Benefit Obligation	0.32	1.24	(0.78)	0.78
Right of Use Asset and Lease Liabilities (refer bifurcation above)	9.18	(1.08)	-	8.10
Disallowances under Income Tax Act, 1961, allowed on payment basis	-	6.34	-	6.34
Total	**71.16**	**11.55**	**(0.78)**	**81.93**

31 March 2025	Opening Balance	Recognized in Profit & Loss	Recognized in Other Comprehensive Income	Total
Deferred Tax Asset / (Liability)				
Property, Plant & Equipment	33.39	11.88	-	45.27
Impairment Allowance	-	16.39	-	16.39
Remeasurement Defined Benefit Obligation	0.14	-	0.18	0.32
Disallowances under Income Tax Act, 1961, allowed on payment basis	2.60	(2.60)	-	-
Right of Use Asset and Lease Liabilities (refer bifurcation above)	7.71	1.47	-	9.18
Total	**43.84**	**27.14**	**0.18**	**71.16**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit before tax (A)	2,862.61	1,910.60
Enacted tax rate (B)	25.17%	25.17%
Expected Tax Expenses (C = A * B)	720.46	480.86
Adjustments		
Prior year tax expenses	(14.19)	22.19
Tax effects of other adjustments	3.23	3.00
Total Adjustments - D	**(10.96)**	**25.19**
Tax expense recognised in profit or loss (E = C + D)	**709.50**	**506.05**

[In Indian Rupees (Lakhs), unless otherwise stated]

36 CORPORATE INCOME TAX EXPENSE

(i)	Income Tax recognised in Profit and loss	Year ended 31 March, 2026	Year ended 31 March, 2025
	Current Tax	735.24	511.00
	Addition to/ (Reversal of) provision for tax of earlier years	(14.19)	22.19
	Deferred Tax	(11.55)	(27.14)
	Total income tax expense	**709.50**	**506.05**

(ii)	Income tax recognised on Other comprehensive income	Year ended 31 March, 2026	Year ended 31 March, 2025
	Income taxes related to items that will not be reclassified to profit or loss	(0.78)	(0.32)
	Total income tax recognised on Other comprehensive income	**(0.78)**	**(0.32)**

37 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

38 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

39 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, the Company is required to spend toward CSR, in various activities as specified in Schedule VII of the Companies Act, 2013, read with the rules thereunder. Company has spent ₹ 18.82 lakhs (March 31, 2024 : ₹ 6.24 lakhs), in pursuance to its Corporate Social Responsibility policy.

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Gross amount required to be spent by the Company during the year	18.82	6.24
Less: Set off of amount excess spent in previous year	-	-
Amount spent during the year on:		
(i) construction / acquisition of any asset	-	-
(ii) on purposes other than (i) above	18.82	6.24
(Excess)/ Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Education of Children	Measures for the benefit of armed forces veteran

40 Additional disclosures required by schedule III

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(v) The Company does not have any investments through more than two layer of investment companies as per section 2(87)(d) and section 186 of Companies Act, 2013

(vi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets during the year.

(vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(viii) There are no transactions with struck off companies for the year ended March 31, 2026 and March 31, 2025

41 The company has renewed working capital limits of INR 10,000 lakhs during the year on basis of security of current assets. The quarterly returns or statements filed by the Company for working capital limits with Axis bank are in agreement with the books of account of the Company except for statements filed for quarters ended June, 2025, Sep, 2025 and Dec, 2025 where differences were noted between the amount as per books of accounts for respective quarters and the amount as reported in the quarterly statements. The differences are on account of certain items considered separately while submitting the quarterly statements to the Bank.

[In Indian Rupees (Lakhs), unless otherwise stated]

For the year ended March 31, 2026

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return	Amount of difference
Jun-25	Axis Bank limited	Inventory	4,536.26	4,518.11	18.15
Sep-25	Axis Bank limited	Trade receivables	7,178.50	6,722.75	455.75
Sep-25	Axis Bank limited	Inventory	6,763.32	6,098.66	664.66
Dec-25	Axis Bank limited	Trade receivables	31,217.37	34,847.61	(3,630.24)
Dec-25	Axis Bank limited	Inventory	958.70	359.61	599.09

For the year ended March 31, 2025

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return	Amount of difference
Jun-24	Axis Bank limited	Trade receivables	8,328.11	8,173.65	154.46
Jun-24	Axis Bank limited	Inventory	3,280.27	3,280.25	0.02
Sep-24	Axis Bank limited	Trade receivables	9,701.49	9,582.61	118.88
Sep-24	Axis Bank limited	Inventory	2,198.46	2,232.36	(33.90)
Dec-24	Axis Bank limited	Trade receivables	5,901.58	5,716.77	184.81

42 The Company has analyzed as to whether its transactions in the current year with related parties are in accordance with the transfer pricing norms under the Income-tax Act, 1961. The Company has also undertaken necessary steps to comply with the regulations and the provision for tax for the year ended March 31, 2026 has been calculated accordingly. Management believes that these transactions are at arm's length.

43 Subsequent to the reporting date of 31 March 2026, geopolitical tensions and military conflict in parts of the Middle East continued during the period up to the date of approval of these financial statements. The Company has evaluated the potential impact of these developments on its operations, financial position and performance. One of the Company's significant customers operates in the war affected region. The Company has assessed its exposure arising from this customer relationship, including order execution, receivables recoverability, contractual terms and continuity of business operations with this customer.

Based on information currently available, the Company has not experienced any disruption in order flows, contract execution, collections, or credit risk with respect of this customer. Accordingly, management has concluded that the ongoing Middle East conflict has not had a material adverse impact on the Company's financial results, cash flows or financial position for the year ended 31 March 2026. The Company continues to monitor the evolving situation closely and will assess the need for any further recognition or disclosures in subsequent reporting periods in case the circumstances change.

44 The Company has long outstanding payable and receivable balance pertaining to related party. The Company is in process of regularizing the delays with AD bank and Reserve Bank of India against these payables and receivable balance as per Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 and Master Direction on Export of Goods and Services (updated as on October 9, 2025). The Company based on best estimate of future liability has created provision against the same and does not expect any further significant impact for the same.

45 There are no significant events subsequent to year ended 31 March 2026.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ankit Agrawal
Partner
Membership No: 137967
Place : Pune
Date : 21 May 2026
ICAI UDIN:26137967TTBNWY5236

For and on behalf of the Board of Directors of
Kalyani Rafael Advanced Systems Private Limited

Vikram Munje
Director
DIN: 02772991
Place: Pune
Date : 05 May 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place: Pune
Date : 05 May 2026

Pranav Walimbe
Company Secretary
Membership No: ACS-75638
Place: Pune
Date : 05 May 2026

Jayaram Mummadi
Chief Executive Officer
Place: Hyderabad
Date : 05 May 2026

Kalyani Strategic Systems Limited

Registered Office
Pune Cantonment, Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Kalyani Strategic Systems Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kalyani Strategic Systems Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

a. The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 02 May 2025.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note-38-iv-d to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38-iv-e to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which include test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for the instances reported below:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.

- The feature of recording audit trail (edit log) facility was not enabled at the application level for the period 1st April 2025 to 4th November 2025.

- The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory for the period 5th November 2025 to 31 March 2026.

- Further, for the periods where audit trail facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the company as per the statutory requirements for records retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner
Membership No.: 137967
ICAI UDIN:26137967GVYTJW3977

Place: Pune
Date: 05 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI STRATEGIC SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has been sanctioned aggregate working capital limits in excess of rupees five crore from banks or financial institutions against the security of current assets. Further, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to file the quarterly returns or statements with such banks or financial institutions. Accordingly, further reporting under this clause is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and provided loans in respect of which the requisite information is as below. The company has not made any investments in firms, limited liability partnership or any other parties.

(iv) (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

Particulars	Guarantees	Security	Loans (INR million)	Advances in nature of loans
Aggregate amount during the year			731.81	
Subsidiary*	Nil	Nil	35.00	Nil
Associate*				

Particulars	Guarantees	Security	Loans (INR million)	Advances in nature of loans
Balance outstanding as at balance sheet date Subsidiary* Fellow subsidiary* Associate*	Nil	Nil	Nil 22.34 Nil	Nil

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans given during the year are prima facie, not prejudicial to the interest of the Company. The Company has not provided guarantee or security, granted advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the cases mentioned below:

(i) Loan of INR 731.81 million given to Agneyastra Energetics Limited and loan of INR 35.00 million given to Aeron Systems Private Limited which is repayable on demand. As informed to us, the Company has demanded and received repayment of the loan amounting to INR 35.00 million to Aeron Systems Private Limited and converted loan given to Agneyastra Energetics Limited amounting to INR 769.57 million into preference shares (including interest accrued of INR 37.76 million).

(ii) The loan of INR 22.34 million to BF Elbit Advanced Systems Private Limited is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The interest thereon amounting to INR 2.07 million for current year has been converted to loan as on 31 March 2026, net of withholding taxes.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	All Parties (INR million)	Promoters (INR million)	Related Parties (INR million)
Aggregate of loans/advances in nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	766.81 Nil	Nil	766.81 Nil
Total (A+B)	766.81	Nil	766.81
Percentage of loans/advances in nature of loan to the total loans	100%	Nil	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not

granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185. Further, the Company has not given any guarantees or security during the year and accordingly, to this extent, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods, traded goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of income tax, employees state insurance, professional tax and provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner
Membership No.: 137967
ICAI UDIN:26137967GVYTJW3977

Place: Pune
Date: 05 May 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF KALYANI STRATEGIC SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Kalyani Strategic Systems Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ankit Agrawal
Partner
Membership No.: 137967
ICAI UDIN:26137967GVYTJW3977

Place: Pune
Date: 05 May 2026

Balance Sheet

as at 31st March, 2026

(In ₹ Million)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
a)	Property, plant and equipment	3	**1,772.68**	1,213.98
b)	Capital work in progress	3	**873.03**	623.15
c)	Goodwill	4	**-**	-
d)	Other Intangible assets	4	**80.51**	129.50
e)	Intangible assets under development	4	**319.56**	48.18
f)	Right of use assets	5	**345.40**	146.40
g)	Financial assets			
	i) Investments	6	**1,340.14**	570.20
	ii) Trade receivable	12	**26.26**	-
	iii) Other financial assets	7	**24.32**	8.72
h)	Deferred tax assets (net)	8	**85.75**	121.96
i)	Income tax assets (net)		**-**	23.91
j)	Other non current assets	9	**1,524.18**	638.51
	Total non current assets:		**6,391.83**	3,524.51
2	**Current assets**			
a)	Inventories	10	**3,559.76**	4,274.77
b)	Financial assets			
	i) Investments	11	**1,905.38**	828.42
	ii) Trade receivable	12	**1,436.59**	2,213.88
	iii) Cash and cash equivalents	13	**220.40**	476.29
	iv) Bank balances other than (iii) above	13	**5.76**	273.84
	v) Loans	14	**-**	-
	vi) Other financial assets	15	**129.45**	107.23
c)	Other assets	16	**2,530.70**	3,515.32
	Total current assets:		**9,788.04**	11,689.75
	TOTAL ASSETS :		**16,179.87**	15,214.26

(In ₹ Million)

		Notes	As at 31st March, 2026	As at 31st March, 2025
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
a)	Equity share capital	17	**665.11**	665.11
b)	Other equity	18	**6,722.73**	5,472.57
	Total equity:		**7,387.84**	6,137.68
2	**Non-current liabilities**			
a)	Financial liabilities			
	i) Lease liabilities	48	**153.13**	-
a)	Provisions	19	**152.81**	63.96
b)	Other non-current liabilities	20	**346.43**	799.62
	Total non-current liabilities :		**652.37**	863.58
3	**Current liabilities**			
a)	Financial liabilities			
	i) Borrowings	21	**-**	0.82
	ii) Lease liabilities	48	**49.29**	-
	iii) Trade payables	22		
	Dues to micro enterprises and small enterprises		**104.35**	14.99
	Dues to other than micro enterprises and small enterprises		**5,248.01**	4,256.02
	iv) Other financial liabilities	23	**184.38**	10.05
b)	Other current liabilities	24	**2,471.05**	3,041.41
c)	Provisions	25	**9.72**	889.71
d)	Current tax liabilities (net)		**72.86**	-
	Total current liabilities :		**8,139.66**	8,213.00
	TOTAL LIABILITIES :		**16,179.87**	15,214.26

The notes referred to above form an integral part of the financial statements

As per our attached report of the even date,
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Ankit Agrawal
Partner
Membership Number. 137967
UDIN:26137967GVYTJW3977

Place: Pune
Date: 5th May, 2026

For and on behalf of the Board of Directors of
Kalyani Strategic Systems Limited

Neelesh Tungar
Director & Chief Executive Officer
DIN: 05229865
Place : Lucknow

Rajinder Singh Bhatia
Director
DIN: 05333963
Place : Pune

Sunil Kulkarni
Chief Financial Officer

Place : Pune
Date: 5th May, 2026

Nikita Naik
Company Secretary
ACS: 61125
Place : Pune
Date: 5th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Million)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I	**Revenue from operations**	26	**12,244.70**	14,044.97
II	**Other income**	27	**230.55**	249.57
III	**Total income**		**12,475.25**	14,294.54
IV	**Expenses**			
	Cost of materials consumed	28	**1,216.82**	3,334.16
	Purchases of stock in trade	29	**8,875.95**	4,634.37
	Changes in inventories of finished goods, stock in trade and work in progress	30	**(1,187.07)**	554.61
	Employee benefits expenses	31	**668.80**	462.37
	Finance cost	32	**16.35**	0.78
	Depreciation and amortization expense	33	**225.03**	77.55
	Other expenses	34	**1,536.39**	1,867.65
	Total expenses		**11,352.27**	10,931.49
V	**Profit before exceptional items and tax**		**1,122.98**	3,363.05
VI	**Exceptional items**	35	**(51.06)**	(78.53)
VII	**Profit before tax**		**1,071.92**	3,284.52
VIII	**Tax expenses**			
	Current tax		**334.35**	1,015.79
	Deferred tax		**37.61**	(132.15)
			371.96	883.64
IX	**Profit for the year**		**699.96**	2,400.88
X	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit and loss			
	- Remeasurement of post-employment benefit obligations		**(5.55)**	(8.16)
	- Income tax relating to these items		**1.40**	2.05
			(4.15)	(6.11)

(In ₹ Million)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
	(b) Items that will be reclassified to profit and loss			
	- Exchange differences on translating financial statement of foreign operations		**40.50**	1.54
	- Income tax relating to these items		**-**	-
			40.50	1.54
	Total other comprehensive income		**36.35**	(4.57)
XI	**Total comprehensive income for the year**		**736.31**	2,396.31
XII	**Earnings per equity share [nominal value of share ₹ 10/-]**	39		
	a) Basic (In ₹)		**10.52**	36.10
	b) Diluted (In ₹)		**10.52**	36.10

The notes referred to above form an integral part of the financial statements

As per our attached report of the even date,
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Ankit Agrawal
Partner
Membership Number. 137967
UDIN:26137967GVYTJW3977

Place: Pune
Date: 5th May, 2026

For and on behalf of the Board of Directors of
Kalyani Strategic Systems Limited

Neelesh Tungar
Director & Chief Executive Officer
DIN: 05229865
Place : Lucknow

Rajinder Singh Bhatia
Director
DIN: 05333963
Place : Pune

Sunil Kulkarni
Chief Financial Officer

Place : Pune
Date: 5th May, 2026

Nikita Naik
Company Secretary
ACS: 61125
Place : Pune
Date: 5th May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	(In ₹ Million)	Nos.	(In ₹ Million)
Balance at the beginning of the year	**66,510,734**	**665.11**	66,510,734	665.11
Balance at the end of the year	**66,510,734**	**665.11**	66,510,734	665.11

b Other equity

(In ₹ Million)

	Reserves and Surplus					Equity Component ascertained on initial recognition of 0% Compulsorily Convertible Debentures	8% Optionally Convertible Redeemable Preference Shares	Foreign Exchange Gain arising out of translation of foreign operations	Total Other Equity
	Securities Premium	Retained earnings	Capital Reserve	Amalgamation adjustment reserve (refer Note 49)	Total				
	₹	₹	₹	₹	₹	₹		₹	₹
Balance at the end of the year 31st March, 2024	1.14	764.79	138.64	(715.64)	188.93	63.26	-	0.02	252.21
Add :									
Profit for the year	-	687.14	-	1,713.74	2,400.88	-	-	-	2,400.88
Other comprehensive income for the year	-	(1.22)	-	(4.89)	(6.11)	-	-	1.54	(4.57)
Adjustments pertaining to Common control transaction (refer note 49)	-	-	-	2,824.05	2,824.05	-	-	-	2,824.05
Balance at the end of the year 31st March, 2025	1.14	1,450.71	138.64	3,817.26	5,407.75	63.26	-	1.56	5,472.57
Add :									
Profit/(loss) for the year	**-**	**919.78**	**-**	**(219.82)**	**699.96**	**-**	**-**	**-**	**699.96**
Other comprehensive income for the year	**-**	**(4.15)**	**-**	**-**	**(4.15)**	**-**	**-**	**40.50**	**36.35**
Adjustments pertaining to Common control transaction (refer note 49)	**-**	**-**	**-**	**(4,019.15)**	**(4,019.15)**	**-**	**-**	**-**	**(4,019.15)**
Shares issued during the year	**4,507.30**	**-**	**-**	**-**	**4,507.30**	**-**	**25.70**	**-**	**4,533.00**
Balance at the end of the year 31st March, 2026	**4,508.44**	**2,366.34**	**138.64**	**(421.71)**	**6,591.71**	**63.26**	**25.70**	**42.06**	**6,722.73**

The notes referred to above form an integral part of the financial statements

As per our attached report of the even date,
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Ankit Agrawal
Partner
Membership Number. 137967
UDIN:26137967GVYTJW3977

Place: Pune
Date: 5th May, 2026

For and on behalf of the Board of Directors of
Kalyani Strategic Systems Limited

Neelesh Tungar
Director & Chief Executive Officer
DIN: 05229865
Place : Lucknow

Sunil Kulkarni
Chief Financial Officer

Place : Pune
Date: 5th May, 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place : Pune

Nikita Naik
Company Secretary
ACS: 61125
Place : Pune
Date: 5th May, 2026

Statement of Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Million)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**			
	Profit after exceptional items and before tax		**1,071.92**	3,284.52
	Adjustment pertaining to Common control transaction (Refer Note 49)		**219.82**	(2,358.19)
	Depreciation and amortisation expense net of adjustment pertaining to Common control transaction		**217.66**	48.61
	Allowances for credit losses		**-**	21.50
	Finance cost		**16.35**	0.78
	Non-cash exceptional items		**-**	78.53
	Provision for Inventory		**-**	18.24
	Sundry Balances/Advances written off		**-**	50.97
	Interest Income on financial assets measured at amortised cost		**(5.04)**	(156.46)
	Interest Income on income tax refund		**(6.05)**	(4.48)
	Interest Income from loans given		**(44.03)**	(2.05)
	Net (Gain) on sale of investment and change in fair value of investments held at FVTPL		**(125.43)**	(78.48)
	Liabilities/Provisions no longer required written back		**-**	(6.09)
	Other comprehensive income			
	Remeasurement of the net defined benefit liability/asset		**-**	(1.63)
	Foreign exchange (losses)/gains arising out of translation of foreign operations		**-**	1.54
	Operating profit before working capital changes		**1,345.20**	897.30
	Movements in working capital :			
	(Increase)/decrease in inventories		**(180.46)**	35.59
	(Increase)/decrease in Other financial assets		**(38.02)**	(67.15)
	(Increase)/decrease in other assets		**900.35**	(1,588.76)
	(Increase)/decrease in trade receivable		**(207.55)**	1,881.94
	Increase/(decrease) in trade payables		**1,151.77**	(234.06)
	Increase/(decrease) in provisions		**43.29**	36.20
	Increase/(decrease) in other liabilities		**(742.86)**	(1,334.63)
	Increase/(decrease) in other financial liabilities		**13.87**	(22.16)
			940.39	(1,293.03)
	Cash from/(used in) operating activities		**2,285.59**	(395.72)
	Direct taxes paid (net of refunds)		**(237.59)**	(301.87)
	Net cash from/(used in) operating activities	**(A)**	**2,048.00**	(697.60)
(B)	**Cash flows from investing activities**			
	Purchase of Property, Plant and Equipment and intangible assets		**(859.27)**	(986.60)
	Loans given to subsidiary and associate		**(804.94)**	(234.01)
	(Purchase)/Sale of Units of Mutual Funds (Net)		**(951.58)**	(585.84)
	Proceeds from maturity of bank deposits having original maturity of more than 12 months		**0.20**	-
	Proceeds from maturity of bank deposits having original maturity of 3 months to 12 months		**268.08**	2,785.56
	Interest received on Inter corporate loans given		**44.03**	-
	Interest income		**11.09**	156.46
	Repayment of Loan given to associate		**35.00**	-
	Net cash from/(used in) investing activities	**(B)**	**(2,257.39)**	1,135.57

(In ₹ Million)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(C)	**Cash flows from financing activities**			
	Inter corporate loans given		**-**	(1.71)
	Proceeds from/(Repayment of) borrowings		**(0.82)**	0.82
	Interest paid on borrowings and other liabilities		**(3.24)**	(0.78)
	Interest received		**-**	2.05
	Payment of principal portion of lease liabilities		**(29.33)**	**-**
	Payment of interest portion of lease liabilities		**(13.11)**	-
	Net cash from/(used in) financing activities	**(C)**	**(46.50)**	0.38
(D)	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**		**(255.89)**	438.35
(E)	**Cash and cash equivalents at the beginning of the year**		**476.29**	37.94
(F)	**Cash and cash equivalents at the end of the year**		**220.40**	476.29

Components of cash and cash equivalents		**As at 31st March, 2026**	As at 31st March, 2025
Cash on hand*		*	*
Cheques in Hand		**-**	-
Balances with banks			
In Current accounts		**213.35**	471.21
Overdraft Facility		**7.05**	5.08
	TOTAL :	**220.40**	476.29

*Amount less than 0.01 Million

Material accounting policies and notes forming an integral part of the Financial Statements

Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

For transactions pertaining to Business combination, refer note 49.

Refer note 48 for movement in lease liabilities.

Refer note 46 for corporate social responsibility expenditure during the year.

As per our attached report of the even date,
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Ankit Agrawal
Partner
Membership Number. 137967
UDIN:26137967GVYTJW3977

Place: Pune
Date: 5th May, 2026

For and on behalf of the Board of Directors of
Kalyani Strategic Systems Limited

Neelesh Tungar
Director & Chief Executive Officer
DIN: 05229865
Place : Lucknow

Sunil Kulkarni
Chief Financial Officer

Place : Pune
Date: 5th May, 2026

Rajinder Singh Bhatia
Director
DIN: 05333963
Place : Pune

Nikita Naik
Company Secretary
ACS: 61125
Place : Pune
Date: 5th May, 2026

Notes forming Part of Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION :

Kalyani Strategic Systems Limited was incorporated on 20th December, 2010, as a public limited company under the erstwhile Companies Act, 1956. The Company is a subsidiary of Bharat Forge Limited, which holds 100% of the issued and subscribed equity share capital of the Company. The Company's CIN is U31902PN2010PLC138025.

The Company is engaged in trading, manufacturing and selling of assembled products for defense industry.

The Company has identified 12 months as its operating cycle.

These Financial statements were authorised for issue in accordance with resolution of the Board of Directors on 5th May, 2026.

In view of Rule 6 of the Companies (Accounts) Rules, 2014, the Company has decided not to present consolidated financial statements for the year ended 31st March 2025, since its Holding Company namely Bharat Forge Limited is going to present the consolidated financial statements and the conditions prescribed said rule have been complied with.

2 MATERIAL ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency exchange differences are generally recognised in profit or loss.

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to statement of profit and loss.

c) Foreign Operation

The assets and liabilities of foreign operations (branches), are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation). When a foreign operation is disposed of in its entirety or partially, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

2.4 Investment in subsidiaries, associates and joint ventures :

The Company has accounted for its investment in subsidiaries, associates and joint ventures at cost, less accumulated impairment (Refer to note 2.17).

2.5 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market should be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions theat market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interests.

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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

a) Disclosures for valuation methods, significant estimates and assumptions (note 40)

b) Quantitative disclosures of fair value measurement hierarchy (note 42)

c) Investment in unquoted equity shares (note 6)

d) Financial instruments (including those carried at amortized cost) (note 41)

2.6 Revenue from operations :

Revenue from sale of goods is recognised when control of the goods being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch,delivery or upon formal customer acceptance depending on delivery terms agreed with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 40.

a) Revenue from sale of goods :

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer. The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods. In case of certain subsidiaries, revenue recognition is based on ex-factory/ex works incoterms wherein the goods are made available at subsidiary company's factory location to be picked up by the customers. The performance obligation is met at the time of goods being made available for pick up by customers. The normal credit term is 60 to 90 days upon delivery.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue includes adjustments made towards liquidated damages wherever applicable. Escalation and other claims, which are not ascertainable/ acknowledged by customers are not taken into account.

Significant financing component Advances received towards execution of defence related projects are not considered for determining significant financing component since the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the Company. The objective is to provide the contracting parties with protection from the other party failing to adequately complete some or all of its obligations under the contract. In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

b) Sale of Services :

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised

services to a customer. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

(a) the customer simultaneously consumes the benefit of the Company's performance or

(b) the customer controls the asset as it is being created/ enhanced by the Company's performance or

(c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time

c) Warranty :

In some cases, the Company provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications. Such warranties are not provided separately and, therefore, do not represent separate performance obligations.

Where warranties and after-sales services are provided in the normal course of business, provisions for associated costs are made based on an assessment of future claims with reference to past experience. A provision for warranties is recognised when the underlying products and services are sold. The provision is based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Group also provides a warranty beyond fixing defects to ensure that the products are made available for a pre-defined period during the tenure of the warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

d) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date as the billing is conditional upon completion of another milestone.

e) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.17.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. 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.

f) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract.

g) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

h) Profit / Loss on sale of investments

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

i) Significant Financing Component

For the majority of the contracts, advance payments are received, prior to commencement of work and milestone payments are paid in accordance with the terms of the contract. Payments received from customers in advance are not considered to be a significant financing component as they are given with the objective to protect the interest of the contracting parties.

2.7 Government grants :

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

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 and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export incentives

Income from export incentives is accounted for on the export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.8 Taxes :

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon ascertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables ad payables in the balance sheet.

2.9 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST, wherever applicable. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Assets under improvement to leased premises are fully depreciated over the lease period of the asset.

The Management's estimate of the useful lives of various fixed assets, which is in line with the provisions of Schedule II to the Companies Act, 2013 is given below.

Type of Asset		Estimated useful life	Estimated useful life as per Schedule II of the Companies Act, 2013
i)	Factory Building	30 years	30 years
ii)	Buildings - Other (including roads)	5 years	5 years to 60 years
iii)	Plant and machineries	15 years	15 years
iv)	Electrical installations	10 years	10 years
v)	Computer and data processing equipments		
	(a) Servers and networks	6 years	6 years
	(b) Other end user devices	3 years	3 years

Type of Asset		Estimated useful life	Estimated useful life as per Schedule II of the Companies Act, 2013
vi)	Furniture and fixtures	10 years	10 years
vii)	Demo assets	5 years	8 years
viii)	Office equipment	5 years	5 years

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

The Company, based on a technical assessment and management estimate, depreciates certain items of plant and equipment and Demo assets 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 a fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Company amortises intangible assets on a straight line basis over the useful life of the asset as mentioned below:

Type of Asset		Estimated useful life	Estimated useful life as per Schedule II of the Companies Act, 2013
i)	Computer software	3 to 5	3 to 5

Intangible assets under development

Research costs are charged to the statement of profit and loss in the year in which they are incurred. Product development costs incurred on new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its intended

use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset. Product development expenditure is measured at cost less accumulated amortisation and impairment, if any.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.11 Leases :

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i) **Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the Underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life of Asset
i) Leasehold Land	Over the period of lease agreement

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.13 Impairment of non-financial assets.

ii) **Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and Right-of-use asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12 Inventories :

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares, loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at lower of cost and are determined on a weighted average basis and net realisable value.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

2.13 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.14 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assess impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

2.15 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Retirement and other employee benefits :

a) Provident Fund :

The contributions to provident fund are recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

b) Gratuity :

The Company operates a defined benefits plan for its employees. Payment for present liability of future payment of gratuity is being made to approved gratuity funds. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the project unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

i The date of the plan amendment or curtailment, and

ii The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss

iii Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

c) Privilege leave benefits :

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.17 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's investments in its subsidiary, associate and joint venture are carried at cost in accordance with Ind AS 27.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.18 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.19 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.20 Segment reporting :

Operating segment is a component of the Company whose operating results is regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company has determined its Board of Directors as its Chief Operating Decision Makers.

The Company's board of directors examine its performance and have identified single reportable operating segment, viz. 'Manufacture and Trading of Defence Components' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

2.21 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.22 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

2.23 Exceptional items

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financials statements.

2.24 Cash flow statement :

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.

2.25 Business Combinations

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to amalgamation adjustment reserve.

2.26 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 –Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT :

(In ₹ Million)

	Freehold land	Leasehold improvements	Building	Plant and machinery	Demo Assets	Furniture and Fixtures	Computers	Office equipment	Vehicles	Electrical installation	Factory equipments	Total	Capital work in progress
Gross block, at Cost :													
As at 31st March, 2024	27.33	1.34	33.78	48.77	-	5.10	13.63	4.08	-	-		134.03	761.00
Additions	-	-	652.43	185.64	-	52.48	49.66	1.91	-	54.17		996.29	858.44
Impact of Business combination (refer note: 49)	-	-	-	105.07	-	18.23	39.74	2.40	12.34	0.86	90.87	269.51	-
Transfers	-	-	-	-	-	-	-	-		-		-	(996.29)
As at 31st March, 2025	27.33	1.34	686.21	339.48	-	75.81	103.03	8.39	12.34	55.03	90.87	1,399.83	623.15
Additions	**-**	**-**	**334.37**	**36.33**	**258.22**	**4.37**	**31.13**	**6.02**		**25.93**	**2.73**	**699.10**	**948.98**
Disposals												**-**	**(699.10)**
As at 31st March, 2026	**27.33**	**1.34**	**1,020.58**	**375.81**	**258.22**	**80.18**	**134.16**	**14.41**	**12.34**	**80.96**	**93.60**	**2,098.93**	**873.03**
Accumulated Depreciation and Amortization :													
As on 31st March, 2024	-	1.23	7.66	18.11	-	4.44	4.85	3.40	-	-		39.69	-
Impact of Business combination (refer note: 49)	**-**	-	-	51.33	-	0.70	14.26	0.66	5.51	0.75	11.81	85.02	
Disposals	**-**	-	-	-	-	-	-	-		-		-	-
Charge for the year	**-**	-	4.55	21.73	-	0.93	4.16	0.41		0.65		32.43	-
Impact of Business combination (refer note: 49)	**-**	-	-	7.34	-	1.79	11.86	0.46	1.47	0.07	5.72	28.71	
As on 31st March, 2025	**-**	1.23	12.21	98.51	-	7.86	35.13	4.93	6.98	1.47	17.53	185.85	-
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Adjustments	**-**	**-**	**(0.02)**	**1.73**	**-**	**0.91**	**1.69**	**(0.01)**	**0.36**	**-**	**1.40**	**6.06**	
Charge for the year	**-**	**-**	**37.84**	**40.87**	**10.73**	**6.66**	**23.48**	**1.40**	**1.17**	**5.78**	**6.41**	**134.34**	
Upto 31st March, 2026	**-**	**1.23**	**50.03**	**141.11**	**10.73**	**15.43**	**60.30**	**6.32**	**8.51**	**7.25**	**25.34**	**326.25**	**-**
Net Block :													
As at 31st March, 2025	27.33	0.11	674.00	240.97	-	67.95	67.90	3.46	5.36	53.56	73.34	1,213.98	623.15
As at 31st March, 2026	**27.33**	**0.11**	**970.55**	**234.70**	**247.49**	**64.75**	**73.86**	**8.09**	**3.83**	**73.71**	**68.26**	**1,772.68**	**873.03**

a) Capital work in progress Ageing Schedule (In ₹ Million)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026					
Projects in progress	**640.34**	**231.24**	**-**	**1.45**	**873.03**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
As at 31st March, 2025					
Projects in progress	621.69	-	-	1.45	623.14
Projects temporarily suspended	-	-	-	-	-

b) For details of expenditure capitalised to capital work in progress refer note no. 34(b)

c) For terms and conditions relating to assets acquired from related party, refer note no. 38

d) The capital work in progress at the year end mainly consists of Plant and machinery, building and other assets pertaining to various projects etc.

e) The Company does not have any CWIP projects which are suspended or which has exceeded its cost compare to its original plan.

f) The Company has not carried out any revaluation of its property, plant, and equipment during the year.

g) All the immovable properties are held in the name of the Company including agreements where the Company is lessee and hence no further disclosure requirement is applicable.

4 INTANGIBLE ASSETS AND GOODWILL:

(In ₹ Million)

	Software	Total Intangible Assets	Goodwill	Intangibles under development
Gross block, at Cost :				
As at 31st March, 2024	16.38	16.38	53.00	17.63
Additions	128.42	128.42	-	158.97
Impact of Business combination (refer note: 49)	1.26	1.26	-	-
Disposals/transfer	-	-	-	(128.42)
As at 31st March, 2025	146.06	146.06	53.00	48.18
Additions	**1.37**	**1.37**	**-**	**272.75**
Disposals/transfer	**-**	**-**	**-**	**(1.37)**
As at 31st March, 2026	**147.43**	**147.43**	**53.00**	**319.56**
Accumulated Depreciation and Amortization :				
As at 31st March, 2024	2.04	2.04	-	-
Impact of Business combination (refer note: 49)	-	-	-	-
Disposals	-	-	-	-
Impairment loss	-	-	53.00	-
Charge for the year	14.27	14.27	-	-
For the year Business Combination (refer note: 49)	0.25	0.25	-	-
As at 31st March, 2025	16.56	16.56	53.00	-
Other adjustments	**0.10**	**0.10**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**
Charge for the year	**50.26**	**50.26**	**-**	**-**
Upto 31st March, 2026	**66.92**	**66.92**	**53.00**	**-**
NET BLOCK :				
As at 31st March, 2025	129.50	129.50	-	48.18
As at 31st March, 2026	**80.51**	**80.51**	**-**	**319.56**

a) Intangible assets under development Ageing Schedule :

(In ₹ Million)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026					
Projects in progress	**271.38**	**48.18**	**-**	**-**	**319.56**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
As at 31st March, 2025					
Projects in process	48.18	-	-	-	48.18
Projects temporarily suspended	-	-	-	-	-

b) The Company has not revalued any intangible assets during the year.

c) **Goodwill impairment in year ended 31 March 2025**

As part of the business restructuring, the goodwill related to BF Infrastructure Limited was transferred to the Company. The Company performed its annual impairment test as at March 31, 2025. In assessing impairment, the Company considered discounted cash flow projections, among other factors, when evaluating indicators of impairment. The impairment assessment is based on post-tax cash flow projections derived from financial budgets and forecasts approved by Management.

Key assumptions used in value-in-use calculations

Weighted Average Cost of Capital (WACC) – pre-tax (discount rate): 42.12%, Terminal growth rate: 2.00%

The discount rate has been determined using the following methodology:

WACC = Cost of equity × (1 − gearing) + Cost of debt × (1 − tax rate) × gearing ratio.

The terminal growth rate applied is consistent with the long-term inflation rate.

The Company has performed sensitivity analyses around the key assumptions and has concluded that no reasonably possible change in these assumptions would result in the recoverable amount of the CGU being lower than its carrying amount.

Based on the above assessment, goodwill amounting to ₹53.00 million was impaired as at March 31, 2025.

5 RIGHT OF USE ASSETS :

(In ₹ Million)

	Building	Land	Total
Gross block, at Cost :			
As at 31st March, 2024	-	**154.68**	**154.68**
Additions	**-**	**-**	**-**
Disposals	**-**	**-**	**-**
As at 31st March, 2025	**-**	**154.68**	**154.68**
Additions	**239.43**	**-**	**239.43**
Disposals	**-**	**-**	**-**
As at 31st March, 2026	**239.43**	**154.68**	**394.11**
Depreciation and Amortization :			
Upto 31st March, 2024	-	6.39	6.39
Disposals		**-**	**-**
Charge for the year	-	**1.89**	**1.89**
Upto 31st March, 2025	**-**	**8.28**	**8.28**
Disposals	**-**	**-**	**-**
Charge for the year	**38.54**	**1.89**	**40.43**
Upto 31st March, 2026	**38.54**	**10.17**	**48.71**
NET BLOCK :			
As at 31st March, 2025	-	146.40	146.40
As at 31st March, 2026	**200.89**	**144.51**	**345.40**

6 INVESTMENTS :

(In ₹ Million)
except number of shares

No of shares held 31st March, 2026	31st March, 2025		As at 31st March, 2026	As at 31st March, 2025
(At Cost)				
Investments in equity Instruments: Unquoted				
Investment in wholly owned subsidiaries :				
8,000	8,000	Equity shares having Face value of AUD 1/- each, fully paid up, of Kalyani Strategic Systems Australia Pty Ltd[(a)] AUD 8,000 (31st March, 2025 : AUD 8,000)	**0.44**	**0.44**
		Less : Provision for impairment in the value of investment	**(0.44)**	**(0.44)**
			-	**-**
10,000	-	Equity shares having Face value of ₹ 10/- each, fully paid up, of Agneyastra Energetics Limited[(b)]	**0.10**	**-**
Investments in Preference shares : Unquoted				
76,957,128	-	8% Optional Convertible Redeemable Preference Shares having Face value of ₹ 10/- each, fully paid up, of Agneyastra Energetics Limited	**769.57**	**-**
Investment in other subsidiaries where Company holds 50% or more of the equity share capital :				
19,901,471	19,901,471	Equity shares having Face value of ₹ 10/- each, fully paid up, of Kalyani Rafael Advanced Systems Private Limited	**199.01**	**199.01**
377	377	Equity shares having Face value of ₹ 10/- each, fully paid up, of Sagar-Manas Technologies Limited	*	*
2,700	-	Equity shares having Face value of EURO 1 each, fully paid up, of Ageis Advanced Systems SL[(c)]	**0.27**	**-**
500,000	500,000	Equity shares having Face value of ₹ 10/- each, fully paid up, of Zorya Mashproekt India Private Limited	**5.00**	**5.00**
		Less : Provision for impairment in the value of investment	**(5.00)**	**(5.00)**
			-	**-**

(In ₹ Million)
except number of shares

No of shares held 31st March, 2026	31st March, 2025		As at 31st March, 2026	As at 31st March, 2025
Investment in Associates :				
136,500	136,500	Equity shares having Face value of ₹ 10/- each, fully paid up, of Aeron Systems Private Limited	**137.18**	**137.18**
769,000	769,000	Equity shares having No Face value, fully paid up, of EdgeLab S.P.A.	**234.01**	**234.01**
			371.19	**371.19**
		TOTAL :	**1,340.14**	**570.20**

*Amount less than 0.01 Million

(a) Under liquidation

(b) During year ended 31st March, 2026, the Company has made investment in wholly owned subsidiary namely Agneyatra Energectics Limited of 10,000 equity shares having face value ₹ 10/- and 76,957,128 preference shares having face value of ₹ 10/-

(c) During year ended 31st March, 2026, the Company has made investment in subsidiary namely Ageis Advanced Systems SL of 2700 equity shares having face value EUR 1/- each

(d) **Compliance with number of layers**

The Company has invested funds in subsidiaries, associates and joint-ventures directly or through its wholly owned subsidiaries. The Company has complied with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

7 OTHER FINANCIAL ASSETS (NON-CURRENT) :

(Unsecured, good) (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Security Deposit	**23.65**	7.85
Balances in deposits with banks having original maturity more than 12 months[(a)]	**0.67**	0.87
TOTAL :	**24.32**	8.72

(a) Fixed deposits are under lien with bank, as margin for non fund based credit facilities.

8 INCOME AND DEFERRED TAXES

a) The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

Statement of profit and loss (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Profit and loss section		
Current income tax		
Current income tax charge	**420.83**	1045.70
Tax for prior years	**(86.48)**	(29.91)
Deferred tax		
Relating to origination and reversal of temporary differences	**37.61**	(132.15)
TOTAL :	**371.96**	883.64
OCI section		
Deferred tax related to items recognised in OCI		
Net Gain on re-measurement of defined benefit plans	**1.40**	2.05
TOTAL :	**1.40**	2.05

b) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for year ended March 31, 2026 and March 31, 2025

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Accounting profit before tax from operations	**1,071.92**	3,284.52
Applicable income tax rate of 25.168 % (March 31, 2025 : 25.168%)	**269.78**	826.65
Adjustment with respect to impact of business combination	**55.32**	50.96
Other disallowances	**133.32**	35.94
Adjustment in respect of reversal of income tax expense of earlier years	**(86.48)**	(29.91)
At the effective income tax rate of 25.168% (March 31, 2025: 25.168%)	**371.94**	883.64
Income tax expense reported in the statement of profit and loss	**371.96**	883.64

c) Major components of deferred tax as at March 31, 2026 and March 31, 2025: (In ₹ Million)

	Balance Sheet	
	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liability		
Fair valuation of FVTPL equity securities	**(3.14)**	(3.28)
Property, plant and equipment and intangible assets	**-**	(6.34)
Right of use asset	**(50.56)**	-
SUBTOTAL :	**(53.70)**	(9.62)
Deferred Tax Asset		
Property, plant and equipment and intangible assets	**4.84**	-
Lease liabilities related	**50.95**	-
Temporary differences in accounting treatment as required by Income tax standards		
Disallowance under Section 43B of Income Tax Act, 1961	**37.85**	4.80
Provision for bad and doubtful debts and advance	**4.98**	6.14
Disallowance under Section 40(a) of Income Tax Act, 1961	**11.62**	8.93
Other deductible temporary differences	**29.21**	111.71
SUBTOTAL :	**139.45**	131.58
Deferred tax asset (net)	**85.75**	121.96

	Statement of Profit and Loss	
	As at 31st March, 2026	As at 31st March, 2025
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	**(11.18)**	5.26
Temporary differences in accounting treatment as required by Income tax standards		
Disallowance under Section 43B of Income Tax Act, 1961	**(33.05)**	(1.88)
Deferred warranty Income	**91.45**	91.45
Provision for bad and doubtful debts and advance	**1.16**	1.16
Disallowance under Section 40(a) of Income Tax Act, 1961	**(2.69)**	(4.89)
Mutual Funds	**(0.14)**	(1.12)
Other deductible temporary differences	**(7.94)**	(222.13)
Deferred tax (income)/expense	**37.61**	(132.15)

d) Reflected in the balance sheet as follows:

	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	**139.45**	131.58
Deferred tax liabilities	**(53.70)**	(9.62)
Deferred tax asset (net)	**85.75**	121.96

e) During the years ended March 31, 2026 and March 31, 2025, the Company has not surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9 OTHER ASSETS (NON-CURRENT) :

(Unsecured, good) (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Capital advances	**359.25**	251.16
Prepaid expenses	**10.80**	0.60
Deferred acquisition cost[(a)]	**96.31**	104.59
Other balances with government authorities	**1,057.82**	282.16
TOTAL :	**1,524.18**	638.51

(a) Refer Note No. 16(a) for significant movement of deferred acquisition cost

10 INVENTORIES :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Raw materials[(a)]	**2,273.25**	3,755.48
Stock in Trade[(b)]	**170.98**	96.60
Work-in-progress	**375.70**	403.49
Finished Goods[(a)(c)]	**739.83**	19.20
TOTAL :	**3,559.76**	4,274.77

(a) Write downs of inventories as at the year end amounted to ₹ 30.70 (31st March, 2025: ₹ 30.70) Increase/decrease in write down provision is recognised as an expense during the year and included in cost of material consumed or changes in inventories of finished goods, work in progress and traded goods in the statement of profit and loss.

(b) Out of the stock in trade ₹ Nil (31st March, 2025: ₹ 27.82 million) was in transit.

(c) Out of the Finished Goods ₹ NIL (31st March, 2025: ₹ Nil) was in transit.

11 CURRENT INVESTMENT :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
At Fair Value through profit and loss		
Aggregate amount of quoted investments	**505.17**	136.97
Aggregate amount of unquoted investments	**1,400.21**	691.45
TOTAL :	**1,905.38**	828.42

12 TRADE RECEIVABLE :

(Unsecured) (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Non-Current		
Undisputed receivables: considered Good	**26.26**	-
Disputed receivables: which have significant increase in credit risk	-	-
Credit impaired	**-**	-
Less : Loss allowance (allowance for bad and doubtful debts including expected credit loss)	**-**	-
	-	-
SUBTOTAL :	**26.26**	-
Current		
Undisputed receivables: considered Good	**1,436.59**	2,213.88
Disputed receivables: which have significant increase in credit risk	-	-
Credit impaired	**15.03**	19.64
Less : Loss allowance (allowance for bad and doubtful debts including expected credit loss)	**(15.03)**	(19.64)
	-	-
SUBTOTAL :	**1,436.59**	2,213.88
Total Trade receivable (Current & Non-current)	**1,462.85**	**2,213.88**

Trade receivable include, related party receivable refer note no. 38

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

Trade Receivables ageing schedule :

(In ₹ Million)

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026							
Undisputed trade receivables - considered good	-	1,077.15	110.46	236.69	38.26	0.29	1,462.85
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	6.57	6.48	-	1.98	-	15.03
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
SUBTOTAL :	-	1,083.72	116.94	236.69	40.24	0.29	1,477.88
Less : Loss allowance	-	(6.57)	(6.48)	-	(1.98)	-	(15.03)
TOTAL :	-	1,077.15	110.46	236.69	38.26	0.29	1,462.85
Weighted average loss rate	0.00%	0.61%	5.54%	0.00%	4.92%	0.00%	
As at 31st March, 2025							
Undisputed trade receivables - considered good	1,123.99	432.89	359.50	101.96	6.55	188.99	2,213.88
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	19.64	19.64
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
SUBTOTAL :	1,123.99	432.89	359.50	101.96	6.55	208.63	2,233.52
Less : Loss allowance	-	-	-	-	-	(19.64)	(19.64)
TOTAL :	1,123.99	432.89	359.50	101.96	6.55	188.99	2,213.88
Weighted average loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	9.41%	

Movement of loss allowance

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
At the beginning of the year	**19.64**	-
Addition/ (reversal) during the year	**(4.61)**	19.64
At the end of the year	**15.03**	19.64

The Company's exposure to credit and currency risk, loss allowances related to trade receivables is disclosed in Note: 43

13 CASH AND BANK BALANCES :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents :		
Cash on hand	*	*
Balances with banks		
In current accounts	**213.35**	471.21
In overdraft accounts[(a)]	**7.05**	5.08
	220.40	476.29
Other bank balances :		
Term Deposits with banks having initial maturity of more than three months but remaining maturity of less than twelve months[#(b)]	**5.76**	273.84
	5.76	273.84
TOTAL :	**226.16**	750.13

* Amount less than 0.01 million

including interest accrued

(a) Overdraft facility availed from Bank is secured by first and exclusive charge on inventory and receivables of the Company. Rate of Interest applicable I-MCLR-3M + 1% spread.

(b) Fixed deposits are under lien with bank as margin for non fund based credit facilities - **265.29**

(c) Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

14 LOANS (CURRENT) :

(Unsecured, good)

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Inter-corporate loan to a fellow subsidiary[(a)(b)(c)]	**22.34**	20.48
Less : Provision for impairment of loan given	**(22.34)**	(20.48)
TOTAL :	**-**	-

(a) Including interest due, thereon

(b) For terms and conditions relating to related party receivable refer note no. 38.

(c) For compliance with provisions with provision of 186(4) refer note no. 52.

15 OTHER FINANCIAL ASSETS (CURRENT) :

(Unsecured, Good) (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Security Deposit	**0.65**	4.34
Other amounts receivable	**21.26**	24.02
Government grants[a]	**107.54**	78.87
TOTAL :	**129.45**	107.23

(a) Government grants includes export incentive receivable.

16 OTHER ASSETS (CURRENT) :

(Unsecured, Good unless otherwise specified) (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**1,313.23**	2,834.04
Advance to vendors		
Good	**1,075.83**	521.98
Doubtful	**4.75**	4.75
Less : Allowances for credit losses	**(4.75)**	(4.75)
	1,075.83	521.98
Prepaid Expenses	**37.41**	32.38
Deferred acquisition cost[a]	**84.34**	123.25
Other advances recoverable in cash or in kind or for value to be received	**19.89**	3.67
TOTAL :	**2,530.70**	3,515.32

(a) Changes in deferred acquisition cost are as under : (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	**227.84**	163.91
Recognised during the year	**84.37**	169.93
Expense recognised during the year	**(131.56)**	(106.00)
Balance at the end of the year	**180.65**	227.84
Of the above,		
Non-current	**96.31**	104.59
Current	**84.34**	123.25

17 EQUITY SHARE CAPITAL :

(In ₹ Million)

			As at 31st March, 2026	As at 31st March, 2025
Authorised				
95,000,000	95,000,000	Equity shares of ₹ 10/- each	**950.00**	950.00
95,000,000	95,000,000	**TOTAL :**	**950.00**	950.00
Issued, subscribed and fully paid-up				
66,510,734	66,510,734	Equity shares of ₹ 10/- each, fully paid up	**665.11**	665.11
66,510,734	66,510,734	**TOTAL :**	**665.11**	665.11

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**(In ₹ Million)**	Nos.	(In ₹ Million)
At the beginning of the year	**66,510,734**	**665.11**	66,510,734	665.11
Shares issued during the year	**-**	**-**	-	-
Shares bought back during the year	**-**	**-**	-	-
Outstanding at the end of the year	**66,510,734**	**665.11**	66,510,734	665.11

(b) Terms/rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	31st March, 2026		31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid up				
Bharat Forge Limited#	**66,510,734**	**100.00**	66,510,734	100.00

including the shares held through nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31st March, 2026		31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid up				
Bharat Forge Limited, the Holding Company#	**66,510,734**	**100.00**	66,510,734	100.00

including the shares held through nominees

(e) Shares held by Promoters as at 31st March, 2026

Name of the promoter	31st March, 2026		31st March, 2025		% Changes during the year
	No. of Shares	%	No. of Shares	%	
i) Equity shares of ₹ 10 each fully paid up					
Bharat Forge Limited#	**66,510,734**	**100**	66,510,734	100	0%

Including shares held through Nominees

Shares held by Promoters as at 31st March, 2025

Name of the promoter	31st March, 2025		31st March, 2024		% Changes during previous year
	No. of Shares	%	No. of Shares	%	
i) Equity shares of ₹ 10 each fully paid up					
Bharat Forge Limited#	66,510,734	100	66,510,734	100	-

Including shares held through Nominees

(f) Equity shares allotted as fully paid-up pursuant to contracts without payment being received in cash

During the financial year 2022-2023, the Company has issued 4,640,908 equity shares of ₹ 10/- each at par to Bharat Forge Limited, its Holding Company on Private placement basis as consideration other than cash against purchase of shares of Analogic Controls India Limited. These shares rank pari-passu in all respects with the existing equity shares.

During the financial year 2022-2023, the Company has issued 13,718,250 equity shares of ₹ 10/- each at par to the Bharat Forge Limited its Holding Company on Private placement basis as consideration other than cash against purchase of shares of Aeron Systems Pvt. Ltd. These shares rank pari-passu in all respects with the existing equity shares.

18 OTHER EQUITY

(In ₹ Million)

Instruments entirely equity in nature :			As at 31st March, 2026	As at 31st March, 2025
Authorised				
750,000	750,000	8% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each	**7.50**	7.50
2,600,000	-	8% Optionally Convertible Redeemable Preference Shares shares of ₹ 10 each	**26.00**	-
3,350,000	**750,000**	**TOTAL :**	**33.50**	**7.50**
Issued, subscribed and fully paid-up				
2,569,728	-	8% Optionally Convertible Redeemable Preference Shares shares of ₹ 10 each, fully paid up*	**25.70**	-
2,569,728	-	**TOTAL :**	**25.70**	**-**

* The Company has issued 8% Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value ₹ 10 each. to Bharat Forge Limited ("BFL") the Holding Company on account of business transfer agreement (BTA). The terms of the same are as follows:

1) Each OCRPS shall be entitled to a non-cumulative dividend of 8%.
2) Each OCRPS shall have a term of upto 5 (five) years.
3) In the event of conversion, each OCRPS shall convert into Equity Shares in a 1:1 ratio.
4) OCRPS shall be convertible at the option of the Company.

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Securities Premium[a]		
Balance as at the beginning of the year	**1.14**	1.14
Add :		
Optionally Convertible Reedemable Preference Shares issued during the year	**4,507.30**	-
Balance as at end of the year	**4,508.44**	1.14
Retained earnings[b]		
Balance as at the beginning of the year	**1,450.71**	764.79
Add :		
Profit for the year	**919.78**	687.14
Other comprehensive income for the year	**(4.15)**	(1.22)
Balance as at end of the year	**2,366.34**	1,450.71
Capital Reserve arising on Amalgamation[c]		
Balance as at the beginning and end of the year	**138.64**	138.64

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Amalgamation adjustment reserve [f]		
Balance as at the beginning of the year	**3,817.26**	(715.64)
Add:		
Profit /(loss) for the year	**(219.82)**	1,708.85
Adjustments pertaining to Common control transaction (refer note: 49)	**(4,019.14)**	2,824.05
Balance as at end of the year	**(421.71)**	3,817.26
Equity Component ascertained on initial recognition of 0% Compulsorily Convertible Debentures[d]		
Balance as at the beginning and end of the year	**63.26**	63.26
Foreign exchange gain arising out of transactions of Foreign Operations[e]		
Balance as at the beginning of the year	**1.56**	0.02
Add:		
Arising during the year	**40.50**	1.54
Balance as at end of the year	**42.06**	1.56
Subtotal	**6,697.03**	**5,472.57**
Total other equity	**6,722.73**	**5,472.57**

(a) Securities Premium

Securities premium is used to record the premium on the issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(b) Retained earnings

Retained earnings includes remeasurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss account. Retained earnings is a free reserve available to the Company.

(c) Capital Reserve arising on Amalgamation

Capital reserve is arising in Scheme of Amalgamation from Transferor Company. It is on account of excess value of net assets acquired over consideration paid by Company under business combinations/amalgamation transactions in earlier year.

(d) Equity Component ascertained on initial recognition of 0% Compulsorily Convertible Debentures

Relates to financial instruments issued by Transferor Company, which was acquired by the Company under business combinations/amalgamation transactions in earlier year.

(e) Foreign exchange (gain)/loss arising out of transactions of Foreign Operations

Relates to exchange (gain)/loss arising out of transactions with overseas office established for the purpose of undertaking servicing/warranty obligations.

(f) Amalgamation adjustment reserve

Amalgamation adjustment reserve is a reserve account created during business combinations, such as mergers or amalgamations. Refer Note 49

19 PROVISIONS (NON-CURRENT) :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Provisions for employee benefits :		
Gratuity (refer note 36)	**131.46**	50.27
Compensated absences	**21.35**	13.69
TOTAL :	**152.81**	63.96

20 OTHER LIABILITIES (NON-CURRENT) :

	As at 31st March, 2026	As at 31st March, 2025
Contract Liabilities[(a)]		
Deferred Revenue	**346.43**	394.97
Advances from customers[(b)]	**-**	404.65
TOTAL :	**346.43**	799.62

(a) Refer Note No. 24(a) for significant movement of contract liabilities

(b) Advance considerations have been received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the control of goods are transferred to the customers.

21 BORROWINGS (CURRENT) :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Secured :		
Cash credit facilities availed from Banks[(a)]	**-**	0.82
TOTAL :	**-**	0.82

(a) Cash credit is repayable on demand and carries interest at 3 MCLR plus 1%. This facility is secured by first pari-passu charge on the current assets.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company is not required to file statements with the bank with regard to the securities provided against working capital facility on periodic basis.

22 TRADE PAYABLES :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises	**104.35**	14.99
Dues to other than micro enterprises and small enterprises (including related party payables)	**5,248.01**	4,256.02
TOTAL :	**5,352.36**	4,271.01

Trade payables include related party payables, refer note no. 38

Trade payables are non-interest bearing and are generally settled on 45 to 90 days.

Trade payables ageing schedule

(In ₹ Million)

	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026							
Undisputed dues to MSME	**-**	**38.48**	**65.87**	**-**	**-**	**-**	**104.35**
Undisputed dues to other than MSME	**324.90**	**1,700.62**	**3,218.16**	**1.46**	**2.81**	**0.06**	**5,248.01**
Disputed dues to MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues to other than MSME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL :	**324.90**	**1,739.10**	**3,284.03**	**1.46**	**2.81**	**0.06**	**5,352.36**
As at 31st March, 2025							
Undisputed dues to MSME	-	-	14.99	-	-	-	14.99
Undisputed dues to other than MSME	215.58	206.01	3,795.85	32.30	2.43	3.85	4,256.02
Disputed dues to MSME	-	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-	-
TOTAL :	215.58	206.01	3,810.84	32.30	2.43	3.85	4,271.01

23 OTHER FINANCIAL LIABILITIES (CURRENT) :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Payable for capital goods	**161.64**	1.18
Payable for Corporate Social Responsibility unspent amount	**12.36**	-
Other amounts payable	**10.38**	8.87
TOTAL :	**184.38**	10.05

Including related party payables, refer note no. 38

24 OTHER LIABILITIES (CURRENT) :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Statutory Liabilities	**44.90**	300.95
Other Payables		
Contract Liabilities[a]		
Deferred Revenue[b]	**155.38**	504.32
Advances from customers[c]	**2,270.77**	2,236.14
TOTAL :	**2,471.05**	3,041.41

(a) Changes in contract liabilities are as under

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	**3,540.08**	4,871.49
Adjustments w.r.t business combination	**(287.47)**	287.47
Advances received during the year	**5,631.26**	1,854.83
Revenue deferred during the year	**61.80**	777.81
Revenue recognised during the year	**(6,173.09)**	(4,251.51)
Balance at the end of the year	**2,772.58**	3,540.08
Of the above,		
Non-current	**346.43**	799.62
Current	**2,426.15**	2,740.46

(b) Company provides service type warranty to ensure that products are available for pre-defined period during the tenure of warranty. This service type warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied based on time elapsed.

(c) Advance considerations have been received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the control pertaining to the goods is transferred to the customers.

25 PROVISIONS (CURRENT) :

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Provisions for employee benefits :		
Gratuity (refer note 36)	**5.00**	5.00
Compensated absences	**4.72**	1.93
Other provisions :		
Provisions for warranties	**-**	842.06
Other provisions	**-**	40.72
TOTAL :	**9.72**	889.71

Movement of provision

	Provisions for warranties	Other provisions
Opening Balance as at 1st April 2025	**842.1**	**40.72**
Adjustments on account of Business combination (refer note: 49)	**(842.1)**	**-**
Arising during the year	-	**-**
Others	-	**(40.72)**
Closing balance as at 31 March 2026	-	**-**

26 REVENUE FROM OPERATIONS :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue from contract with customers		
Sale of products		
- Sale of goods	**42.82**	7,419.19
- Sale of traded goods	**11,653.06**	6,243.64
Sale of services		
- Warranty services	**300.59**	154.26
- Other services	**-**	87.78
Other Operating Income		
- Export Incentive	**248.23**	140.10
TOTAL :	**12,244.70**	14,044.97
Revenue by primary geographical market :		
- Within India	**1,133.56**	2,160.32
- Outside India	**11,111.14**	11,884.65
TOTAL :	**12,244.70**	14,044.97

Reconciliation for revenue as per Statement of profit & loss and the contracted price arising on account of various adjustments:

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue recognised as per Statement of Profit & loss		
Sale of products	**11,695.88**	13,662.83
Sale of services	**300.59**	242.04
	11,996.47	13,904.87
Add : Adjustments		
Deferment of revenue	**172.41**	499.76
Late delivery charges	**(100.39)**	(178.28)
Contract Price	**12,068.49**	14,226.35

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Company is agreed in contract with the customer. Further, the variable consideration is an estimate amount arrived by using expected value method.

Revenue from operations for 2 customers aggregating to ₹ 6,589.61 million (31st March, 2025 ₹ 2,850.57 million) individually exceeds 10% of total revenue.

27 OTHER INCOME :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest Income on assets measured at amortised cost:		
On loan to related parties	**44.03**	2.05
On deposits and others*	**11.09**	160.94
Net gain on sale of financial instruments	**112.96**	80.39
Net gain on fair valuation of financial instruments (FVTPL)	**12.47**	-
Exchange differences (Net)	**35.34**	-
Provision for doubtful debts written back	**4.61**	6.09
Miscellaneous income	**10.05**	0.10
TOTAL :	**230.55**	249.57

* Includes interest on account of unwinding of security deposits and interest income on fixed income securities.

28 COST OF MATERIAL CONSUMED :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventory at the beginning of the year	**3,755.48**	2,354.74
Adjustments pertaining to common control transactions	**(3,497.06)**	-
Add: Purchases	**3,231.66**	4,734.90
Less: Inventory at the end of the year	**(2,273.26)**	(3,755.48)
TOTAL :	**1,216.82**	3,334.16

29 PURCHASES OF STOCK IN TRADE :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Purchases of stock in trade	**8,875.95**	4,634.37
TOTAL :	**8,875.95**	4,634.37

30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventories at the beginning of the year		
Stock in Trade	**96.60**	0.57
Work-in-progress	**403.49**	873.41
Adjustments pertaining to common control transactions	**(403.49)**	-
Finished Goods	**19.20**	199.92
Adjustments pertaining to common control transactions	**(16.36)**	-
	99.44	1,073.90
Inventories at the close of the year		
Stock in Trade	**170.98**	96.60
Work-in-progress	**375.70**	403.49
Finished Goods	**739.83**	19.20
	1,286.51	519.29
TOTAL :	**(1,187.07)**	554.61

31 EMPLOYEE BENEFIT EXPENSES :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Salaries and wages	**582.91**	407.22
Contributions to provident and other funds	**26.78**	20.20
Gratuity expenses	**24.89**	6.81
Staff welfare expenses	**34.22**	28.14
TOTAL :	**668.80**	462.37

32 FINANCE COST :

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on borrowings	**0.07**	0.01
Interest on lease liabilities	**13.11**	-
Other borrowing cost	**3.17**	0.77
TOTAL :	**16.35**	0.78

33 DEPRECIATION AND AMORTIZATION EXPENSES :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation on property, plant and equipment	**134.34**	61.14
Amortization on intangible assets	**50.26**	14.52
Depreciation on right of use assets	**40.43**	1.89
TOTAL :	**225.03**	77.55

34 OTHER EXPENSES :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Rates and Taxes	**12.89**	11.44
Corporate social responsibility (Refer note no. 46)	**15.74**	8.79
Legal and professional fees	**256.24**	319.12
Travelling and conveyance	**117.48**	132.95
Freight forwarding charges	**81.80**	116.79
Business development expenses	**149.66**	59.73
Exchange difference (Net)	**-**	29.73
Payment to auditors [Refer (a) below]	**4.48**	2.24
Provision for doubtful debts and advances	**-**	21.50
Net loss on fair valuation of financial instruments	**-**	1.91
Royalty expenses	**-**	105.38
Commission expenses	**312.54**	-
Contract labour charges	**111.44**	135.85
Warranty expenses	**137.44**	417.79
Miscellaneous expenses#	**336.68**	504.43
TOTAL :	**1,536.39**	1,867.65

Miscellaneous expenses include Power and fuel, repairs and maintenace, Insurance,bank charges, general office expenses, printing and stationery etc.

(a) Payment to auditors :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025**
As auditor:		
- Audit fees*	**3.70**	1.50
- Tax and other services	**-**	0.33
- Certification	**0.13**	0.39
Reimbursement of expenses	**0.65**	0.02
TOTAL :	**4.48**	2.24

* Amount includes to fees paid to erstwhile auditors amounting to ₹ 0.20 millions

** Amount relates to fees paid to erstwhile auditors

(b) Capitalisation of expenditure

The Company had capitalised the following expenses of revenue nature to the cost of capital work in progress. Consequently, Income and expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Operating Expenses		
Security Services	-	3.74
Power and Fuel	-	13.29
Miscellaneous expenses	-	-
TOTAL :	-	17.03

35 EXCEPTIONAL ITEMS :

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Impact of new labour codes[e]	**51.06**	-
Provision for impairment of investment in subsidiary[a][b]	-	5.05
Impairment of goodwill[c]	-	53.00
Provision for impairment of loan given to fellow subsidiary[d]	-	20.48
TOTAL :	**51.06**	78.53

(a) The management has decided to liquidate it's wholly owned subsidiary in Australia, Kalyani Strategic Systems Australia Pty. Ltd. Accordingly, the subsidiary company has filed for deregistration on 21st March, 2024. Provision for impairment of ₹ Nil (31st March 2025 : ₹ 0.05 Million) to the extent of irrecoverable cost of investment has been recorded as exceptional item.

(b) During the previous year, the Company has made provision for impairment in value of investment of ₹ 5 million in investment in equity instruments of Zorya Mashproekt India Private Limited. The provision is recognised as an exceptional item in the statement of profit and loss.

(c) During the previous year, the Company has recognised impairment loss of ₹ 53 Million on goodwill recognised on acquisition of the business of embedded systems.

(d) During the previous year, the Company has recognised impairment loss of ₹ 20.48 Million on loan given to Bf Elbit Advanced Systems Private Limited, a fellow subsidiary.

(e) On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code,2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated and disclosed the incremental impact of these changes using the best information currently available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as an exceptional item as "Impact of new labour codes" in the financial statements for the year ended March 31, 2026. The incremental impact consisting of gratuity of ₹51.06 Million primarily arises due to change in wage definition. The Company continues to monitor the clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

36 DISCLOSURE PURSUANT TO IND AS 19 ON "EMPLOYEE BENEFITS"

(a) Defined contribution plans :

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the funds. The Company recognized ₹ 24.48 million (Previous Year: ₹ 19.72 million) for the provident fund contributions in the statement of profit and loss. The contributions payable to this plan by the Company are at the rates specified in respective legislations. The obligations of the Company is limited to the amount contributed and it has no further contractual or constructive obligation.

(b) Gratuity plan :

The Company has a defined benefit gratuity plan for its employees. The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. In case of normal retirement of employees who have completed 10 years of services, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service. In case of early retirement of employees who have completed 15 years of services, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service.

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

The Plan is funded as on the valuation date.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a) Asset-Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim

settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	Year ended 31st March, 2026	Year ended 31st March, 2025
Mortality table	**IALM(2012-14) Ult**	IALM(2012-14) Ult
Discount rate	**7.20%**	6.60%
Rate of increase in compensation levels	**10.00%**	10.00%
Expected rate of return on plan assets	**6.60%**	7.20%
Expected average remaining working lives (in years)	**7.62**	6.33
Withdrawal rate	**13.00%**	15.00%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the beginning of the year	**14.72**	6.10
Transfer In	**51.37**	3.18
Interest expense	**3.51**	0.58
Past service cost	**51.06**	-
Current service cost	**15.21**	3.55
Benefits (paid)	**-**	(0.36)
Remeasurements on obligation [Actuarial (Gain) / Loss]	**5.63**	1.67
Present value of obligation as at the end of the year	**141.50**	14.72

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

(In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Fair value of plan assets at the beginning of the year	**4.66**	0.70
Transfer In	**-**	0.33
Interest Income	**0.30**	0.19
Contributions	**-**	3.40
Benefits paid	**-**	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)*	**0.08**	0.04
Fair value of plan assets at the end of the year	**5.04**	4.66
Actual return on plan assets	**0.38**	0.23

*Amount less than 0.01 Million

Net Interest (Income/Expense) (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest (Income) / Expense – Obligation	**3.51**	0.58
Interest (Income) / Expense – Plan assets	**(0.30)**	(0.19)
Net Interest (Income) / Expense for the year	**3.21**	0.39

Remeasurement for the period [Actuarial (Gain)/loss] (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Experience (Gain) / Loss on plan liabilities	**4.24**	2.69
Demographic (Gain) / Loss on plan liabilities	**8.05**	(0.59)
Financial (Gain) / Loss on plan liabilities	**(6.66)**	(0.43)
Experience (Gain) / Loss on plan assets*	**(0.11)**	(0.05)
Financial (Gain) / Loss on plan assets*	**0.03**	0.01

*Amount less than 0.01 Million

Amount recognised in Statement of Other comprehensive Income (OCI) (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Opening amount recognised in OCI outside profit and loss account	**2.66**	1.03
Add : Acquired in Scheme of Amalgamation from Transferor Company	**-**	-
Remeasurement for the year - Obligation (Gain)/Loss	**5.63**	1.67
Remeasurement for the year - Plan assets (Gain)/Loss*	**(0.08)**	(0.04)
Total Remeasurement cost/(credit) for the period recognised in OCI	**5.55**	1.63
Closing amount recognised in OCI outside profit and loss account	**8.21**	2.66

*Amount less than 0.01 Million

The amounts to be recognised in the Balance Sheet (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Present value of obligation as at the end of the period	**(141.50)**	(14.72)
Fair value of plan assets as at the end of the period	**5.04**	4.66
Net Asset / (liability) to be recognised in balance sheet	**(136.46)**	(10.06)

Expense recognised in the statement of profit and loss (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Past service cost	**51.06**	-
Current service cost	**15.21**	3.55
Net Interest (Income) / Expense	**3.21**	0.39
Impact of Business combination	**6.47**	3.18
Net periodic benefit cost recognised in the statement of profit and loss (including exceptional item)	**75.95**	7.12

Reconciliation of Net Asset/(Liability) recognised: (In ₹ Million)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Net asset / (liability) recognised at the beginning of the period	**(10.06)**	(5.40)
Company contributions	**-**	3.40
Benefits directly paid by the Company	**-**	0.36
Expense recognised at the end of period	**(75.95)**	(6.79)
Transfer of liability in Business Combination (Refer Note: 49)	**(44.90)**	-
Amount recognised outside profit & loss for the period	**(5.55)**	(1.63)
Net asset / (liability) recognised at the end of the period	**(136.46)**	(10.06)

The Company expects to contribute ₹ 5 million to the gratuity fund in the next year (31st March, 2025 : 0.25 million)

Sensitivity analysis

Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Discount rate	Present value of obligation	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in discount rate by 100 basis points	**131.68**	13.36
Decrease in discount rate by 100 basis points	**152.98**	16.37

Impact of change in salary growth rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Salary growth rate	Present value of obligation	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in salary growth rate by 100 basis points	**151.28**	16.15
Decrease in salary growth rate by 100 basis points	**132.94**	13.51

Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

(In ₹ Million)

Withdrawal rate	Present value of obligation	
	Year ended 31st March, 2026	Year ended 31st March, 2025
Increase in withdrawal rate by 100 basis points	**139.53**	14.28
Decrease in withdrawal rate by 100 basis points	**143.59**	15.26

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Weighted average duration of defined benefit obligation is **7.62 years (March 31st, 2025: 8.02 years)** (based on discounted cash flows using mortality, withdrawal rate and interest rate).

The following are the expected benefit payments to the defined benefit plan in future years:

(In ₹ Million)

Period/Year Ending	**31st March, 2026**	31st March, 2025
Within one year	**23.60**	0.85
After one year but not more than five years	**50.10**	3.74
After five years but not more than ten years	**64.61**	4.95

37 SEGMENT INFORMATION

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company's board of directors, examines the Company's performance and have identified single reportable operating segment, viz. 'Defence Products' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Company is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in note 26

The Company's Non-current assets are used in the Company's business are located in India and accordingly management is of the view that separate disclosure for these is not required.

38 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Key Management Personnel :	i)	Mr. Rajinder Singh Bhatia- Director
	ii)	Mr. Vikram Munje- Director
	iii)	Mr. Neelesh Vijay Tungar- Director and Chief Executive Officer (Appointed as director w.e.f. 5th August, 2024 and appointed as CEO w.e.f. 1st October, 2024)
	iv)	Mr. Sunil Kulkarni- Chief Financial Officer (Appointed w.e.f. 11th November, 2024)
	v)	Mr. Rajesh Khurana - Chief Executive Officer (till 5th August, 2024)
	vi)	Mr. Guruprasad Vaidya - Chief Financial officer (till 5th August, 2024)
	vii)	Ms. Soma Dutta - Company Secretary (till 9th August, 2024)
	viii)	Ms. Nikita Naik- Company Secretary (Appointed w.e.f. 10th August, 2024 and Resigned w.e.f. 23rd December, 2024. Re-appointed w.e.f. 18th June, 2025)
Holding Company :		Bharat Forge Limited
Subsidiary Companies :	i)	Kalyani Rafael Advanced Systems Private Limited
	ii)	Kalyani Strategic Systems Australia Pty Ltd
	iii)	Sagar-Manas Technologies Limited
	iv)	Zorya Mashropekt India Pvt Ltd
	v)	Agneyastra Energetics Limited
	vi)	Ageis Advanced Systems
Associate Companies :	i)	Aeron Systems Private Limited
	ii)	Edgelab S.p.A (w.e.f. 23rd December, 2024)
Fellow Subsidiary Companies where transactions have taken place during the period :	i)	BF Elbit Advanced Systems Private Limited
	ii)	Bf Infrastructure Limited
Other Related Parties (Enterprises owned or significantly influenced by key management personnel or their relatives) where transactions have taken place during the period	i)	Inmet Technology Solutions Private Limited
	ii)	Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)
	iii)	Saarloha Advanced Materials Private Limited
	iv)	KTMS Design and Engineering Private Limited
	v)	Kalyani Technoforge Limited
	vi)	Peach Blossom Investment Private Limited

(ii) Related parties with whom transactions have taken place during the year (In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	**Investment in equity shares**	**Subsidiary Company**		
		Agneyastra Energetics Limited	**0.10**	-
		Ageis Advanced Systems	**0.27**	-
2	**Issue of Optionally Convertible Redeemable Preference Shares pertaining to business transfer agreement.**	**Holding Company**		
		Bharat Forge Limited	**4,533.02**	-
3	**Transaction pertaining to business transfer agreement (at Book value)**	**Holding Company**		
	Purchase of Inventory	Bharat Forge Limited	**3,335.97**	-
	Purchase of property, plant and equipment and intangible assets		**146.49**	-
	Transfer of liability for post employee benefit		**57.69**	-
4	**Provision for impairment of investment**	**Subsidiary Company**		
		Kalyani Strategic Systems Australia Pty Limited	**-**	0.05
		Zorya Mashproekt India Private Limited	**-**	5.00
5	**Provision for impairment of trade receivable**	**Associate Company**		
		Aeron Systems Private Limited	**-**	19.00
6	**Provision for impairment of loans**	**Fellow Subsidiary Company**		
		BF Elbit Advanced Systems Private Limited	**1.86**	20.48
7	**Rent paid**	**Holding Company**		
		Bharat Forge Limited	**26.56**	1.93
8	**Intercorporate loan given**	**Subsidiary Company**		
		Agneyastra Energetics Limited	**731.81**	-
		Associate Company		
		Aeron Systems Private Limited	**35.00**	20.00

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
9	**Repayment of intercorporate loan received**	**Associate Company**		
		Aeron Systems Private Limited	**35.00**	20.00
10	**Conversion of loan given into Optionally Convertible Redeemable Preference Shares**	**Subsidiary Company**		
		Agneyastra Energetics Limited	**769.57**	-
11	**Interest received on intercorporate loans**	**Subsidiary Company**		
		Agneyastra Energetics Limited	**41.96**	
		Fellow Subsidiary Company		
		BF Elbit Advanced Systems Private Limited	**2.07**	1.95
		Associate Company		
		Aeron Systems Private Limited	**1.59**	0.15
12	**Reimbursement of expenses paid**	**Holding Company**		
		Bharat Forge Limited	**39.40**	33.62
		Fellow Subsidiary Company		
		BF Infrastructure Limited	**1.28**	10.23
13	**Expenses for Brand License Fees**	**Other related parties**		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	**33.41**	-
14	**Reimbursement of expenses received**	**Holding Company**		
		Bharat Forge Limited	**72.14**	45.52
		Subsidiary Company		
		Sagar-Manas Technologies Limited	**0.68**	0.09
		Agneyastra Energetics Limited	**15.28**	-
		Zorya Mashproekt India Private Limited	**1.14**	-
		Fellow Subsidiary Company		
		BF Infrastructure Limited	**-**	2.78

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
15	**Sale of Products**	**Holding Company**		
		Bharat Forge Limited	**64.46**	11.06
		Subsidiary Company		
		Sagar-Manas Technologies Limited	**0.37**	-
16	**Sale of services**	**Holding Company**		
		Bharat Forge Limited	**66.39**	-
17	**Purchases of goods**	**Holding Company**		
		Bharat Forge Limited	**8,760.68**	10,196.17
		Other related parties		
		Inmet Technology Solutions Private Limited	**12.16**	2.02
		Saarloha Advanced Materials Private Limited	**1.80**	7.20
		Eternus Performance Materials Pvt Ltd	**11.79**	-
		Associate Company		
		Aeron Systems Private Limited	**3.46**	-
18	**Purchase of property, plant and equipment, intangible assets (including CWIP)**	**Holding Company**		
		Bharat Forge Limited	**0.96**	13.23
		Other related parties		
		Peach Blossom Investment Private Limited	**21.03**	7.62
		KTMS Design and Engineering Private Limited	**183.63**	838.77
		Kalyani Technoforge Limited	**135.40**	-
19	**Corporate guarantee commission paid**	**Holding Company**		
		Bharat Forge Limited	**-**	1.67

(In ₹ Million)

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
20	Capital Advance given	**Other related parties**		
		KTMS Design and Engineering Private Limited	-	26.84
21	Advance given for purchase of goods	**Fellow Subsidiary Company**		
		Eternus Performance Materials Private Limited	-	5.70
22	Corporate guarantee provided to bank on behalf of the others	**Subsidiary Company**		
		Sagar-Manas Technologies Limited	-	16.50
23	Corporate guarantee commission received	**Subsidiary Company**		
		Sagar-Manas Technologies Limited	**0.10**	-
24	Managerial Remuneration Expenses	**Other related parties**		
		Mr. Neelesh Vijay Tungar	**36.74**	9.44
		Mr. Sunil Kulkarni	**9.80**	2.37
		Mrs. Nikita Naik	**1.16**	-

(iii) Balances outstanding

(In ₹ Million)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
1	Intercorporate Loan receivable(including interest due thereon)	**Fellow Subsidiary Company**		
		BF Elbit Advanced Systems Private Limited	**22.34**	20.48
2	Trade Payables	**Holding Company**		
		Bharat Forge Limited	**4,704.80**	3,783.49
		Other related parties		
		Saarloha Advanced Materials Private Ltd.	**2.11**	-
		Inmet Technology Solutions Private Limited	**3.89**	1.52
		Eternus Performance Materials Private Limited	**1.61**	-
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	**33.41**	-

(In ₹ Million)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
3	**Trade Receivables**	**Holding Company**		
		Bharat Forge Limited	**160.13**	0.41
		Associate Company		
		Aeron Systems Private Limited	**-**	19.00
		Fellow Subsidiary Company		
		Eternus Performance Materials Private Limited	**-**	4.96
4	**Other receivables**	**Holding Company**		
		Bharat Forge Limited	**-**	21.25
		Subsidiary Company		
		Agneyastra Energetics Limited	**17.10**	-
		Zorya Mashproekt India Private Limited	**1.35**	-
		Sagar-Manas Technologies Limited	**2.25**	0.79
5	**Other amounts payable**	**Holding Company**		
		Bharat Forge Limited	**4.77**	34.11
		Fellow Subsidiary Company		
		BF Infrastructure Limited	**10.38**	8.87
6	**Advance given for purchase of goods**	**Fellow Subsidiary Company**		
		Eternus Performance Materials Private Limited	**-**	5.70
7	**Advance given for Capital goods**	**Other related parties**		
		KTMS Design and Engineering Private Limited	**11.20**	44.17
8	**Payable for capital purchases**	**Other related parties**		
		KTMS Design and Engineering Private Limited	**-**	0.75
		Kalyani Technoforge Limited	**135.40**	-
		Peach Blossom Investment Private Limited	**0.97**	-

(In ₹ Million)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
9	Managerial Remuneration Payable	Other related parties		
		Mr. Neelesh Vijay Tungar	**1.08**	0.73
		Mr. Sunil Kulkarni	**0.38**	0.32
		Mrs. Nikita Naik	**0.11**	-
10	Corporate guarantee provided to bank on behalf of others	Joint Venture		
		Sagar-Manas Technologies Limited	**-**	16.50

* Amount is less than 0.01 million

(iv) Terms and conditions of transactions with related parties

a) Reimbursement of costs paid to/received from related parties are at cost.

b) All other transactions are in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

c) The loans given to the related parties are unsecured and repayable on demand. The loans carried interest in the range of of 9.00% p.a. to 10% p.a.

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e) The Company has not received from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39 EARNINGS PER SHARE (EPS)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Profit for the year attributable to shareholders (In ₹ Million)	**699.96**	2,400.88
Basic Earning Per Share		
I Earnings per equity share [nominal value of share ₹ 10/-]		
Weighted Average Number of Shares for basic EPS	**66,510,734**	66,510,734
Basic Earning Per Share (In ₹)	**10.52**	36.10
Diluted Earning Per Share*		
II Earnings per equity share [nominal value of share ₹ 10/-]		
Weighted Average Number of Shares for diluted EPS	**66,510,734**	66,510,734
Diluted Earnings per equity share [nominal value of share ₹ 10/-] - fully paid shares	**10.52**	36.10

* As at 31st March 2026, 2,569,728 8% Optionally Convertible Redeemable Preference shares of ₹ 10 each, fully paid up were not considered for weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were concluded to be non dilutive.

40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following significant judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

a) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products or services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note no. 41 and 42 for further disclosures.

c) Defined benefit plan

The cost of defined benefit gratuity plan and present value of such obligation are determined using actuarial valuation. 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, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note no. 36

d) Current / Non-Current Classification

The Company evaluates funds requirement on the basis of internal budgets and forecasts and believes that on the basis of current scale of operations and cash realisation cycle, it would be able to generate sufficient funds from operations in order to meet such requirement in the foreseeable future of upto one year.

41 FINANCIAL INSTRUMENTS BY CATEGORY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

(In ₹ Million)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I) Financial assets				
Measured at amortised costs				
Trade receivable	**1,462.85**	2,213.88	**	**
Loans	**-**	-	**-**	-
Other Financial Assets	**153.77**	115.95	**	**
Cash and cash equivalents	**220.40**	476.29	**	**
Other Bank balances	**5.76**	273.84	**	**
Measured at FVTPL				
Investments*	**1,905.38**	828.42	**1,905.38**	828.42
TOTAL :	**3,748.16**	3,908.38	**1,905.38**	828.42

(In ₹ Million)

		Carrying value		Fair value	
		As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
II)	**Financial liabilities**				
	Measured at amortised costs				
	Borrowings	**-**	0.82	**-**	0.82
	Trade payables	**5,352.36**	4,271.01	**	**
	Lease liabilities	**202.42**	-	**	**
	Other financial liabilities	**184.38**	10.05	**	**
	TOTAL :	**5,739.16**	4,281.88	**-**	0.82

* Investments do not include investments in subsidiaries and associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

**The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, deposits with banks, other financial assets, trade payables, lease liabilities and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

42 FAIR VALUE HIERARCHY

(In ₹ Million)

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31st March, 2026				
Financial assets at FVTPL				
Investments in Mutual Funds	**505.17**	**1,400.21**	**-**	**1,905.38**
As at 31st March, 2025				
Financial assets at FVTPL				
Investments in Mutual Funds	136.97	691.45	-	828.42

43 FINANCIAL RISK MANAGEMENT DISCLOSURE

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance for the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings, deposits and investment in mutual funds.

i) Equity price risk

The Company's investment in equity instruments comprise mainly of investments in subsidiaries and associates which are strategic long term investments. Reports on the financial information of these entities are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

ii) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long-term foreign currency borrowings.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2026 and March 31, 2025

Unhedged foreign currency exposure

	Foreign Currency	**As at 31st March, 2026**	
		Foreign Currency (in million)	**₹ Million**
Financial Assets	USD	**7.92**	**750.87**
	EURO	**8.27**	**901.66**
	AMD	**42.52**	**10.67**
Financial Liabilities	USD	**(0.35)**	**(32.72)**
	EURO	**(0.41)**	**(44.24)**
	AUD	**(0.04)**	**(2.49)**

	Foreign Currency	As at 31st March, 2025	
		Foreign Currency (in million)	₹ Million
Financial Assets	USD	7.14	612.16
	EURO	6.57	607.54
	AMD	188.24	41.26
Financial Liabilities	USD	(0.12)	(10.34)
	EURO	(0.16)	(14.35)
	AUD	(0.04)	(1.87)
	AED	(0.03)	(0.72)

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(In ₹ Million)

	Currency	Change in FC Rate	Effect on profit before tax	Effect on equity pre-tax
31st March, 2026	**USD**	**5.00%**	**35.91**	**35.91**
		-5.00%	**(35.91)**	**(35.91)**
	EUR	**5.00%**	**42.87**	**42.87**
		-5.00%	**(42.87)**	**(42.87)**
	AUD	**5.00%**	**(0.12)**	**(0.12)**
		-5.00%	**0.12**	**0.12**
	AMD	**5.00%**	**0.53**	**0.53**
		-5.00%	**(0.53)**	**(0.53)**
31st March, 2025	USD	5.00%	30.09	30.09
		-5.00%	(30.09)	(30.09)
	Euro	5.00%	29.66	29.66
		-5.00%	(29.66)	(29.66)
	AUD	5.00%	(0.09)	(0.09)
		-5.00%	0.09	0.09
	AMD	5.00%	2.06	-
		-5.00%	(2.06)	-

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Other receivables, deposits with banks, mutual funds and loans given

Credit risk from balances with banks, financial institutions and mutual funds is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with approved Counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a regular basis and the said limits get revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2026 and 31st March, 2025 is the carrying amounts as illustrated in respective notes.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, Company's customers includes Defence Ministries, governments, other sovereign agencies and public sector undertakings etc. Outstanding customer receivables are regularly monitored and reconciled.

As per simplified approach, The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment. An impairment analysis is performed at each reporting date on an individual basis for all customers. The Company makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ Million)

	Less than 1 year	1 year to 5 years	> 5 years	Total
Year ended 31st March, 2026				
Borrowings	-	-	-	-
Trade payables	**5,352.36**	-	-	**5,352.36**
Lease liabilities	**65.48**	**175.30**		**240.78**
Other financial liabilities	**184.38**	-	-	**184.38**
	5,602.22	**175.30**	-	**5,777.52**
Year ended 31st March, 2025				
Trade payables	4,271.01	-	-	4,271.01
Other financial liabilities	10.05	-	-	10.05
	4,281.06	-	-	4,281.06

44 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements. The Company does not have material borrowings in the current and previous financial years, hence net debt ratio is positive. Gearing ratio is not applicable since the Company has no Net Financial Debt.

45 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2016)

(In ₹ Million)

		Year ended 31st March, 2026	Year ended 31st March, 2025
(i)	Principal amount due to suppliers under MSMED Act, 2006 * [Includes dues to payable for capital goods amounting to ₹ 6.15 Million (31st March, 2025 ₹ 6.21 million)]	**110.50**	8.78
(ii)	Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	**1.30**	0.07
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	**54.69**	3.65
(iv)	Interest paid to suppliers under MSMED Act, 2006	**-**	-
(vi)	Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	**3.48**	0.06
(vi)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	**6.20**	1.42

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

46 CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted a CSR Policy in accordance with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

(In ₹ Million)

		Year ended 31st March, 2026	Year ended 31st March, 2025
(a)	Amount required to be spent by the Company during the year	**15.74**	8.78
(b)	Amount spent /remitted during the year*	**7.11**	8.79
(c)	The amount of shortfall at the end of the year out of the amount required to be spent/ remitted by the Company during the year	**8.63**	-
(d)	Contributed to funds specified under Schedule VII	**-**	-
(e)	The total of previous years shortfall amounts	**-**	-

Details of shortfall, cumulative shortfall and reasons for shortfall

During the year ended March 31, 2026, as against required expenditure / remittance of ₹ 15.74 million (March 31, 2025 : ₹ 8.78 million), the Company has incurred expenditure/ remittance of ₹ 7.11 million (March 31, 2025 :₹ 8.79 million) and an amount of ₹ 8.63 million (March 31, 2025 : ₹ Nil) remained unspent due to phase wise implementation of CSR activities. The unspent amount for the year ended March 31, 2026, has been transferred to the unspent CSR account and the same shall be utilised by the Company in next year for CSR projects undertaken by the Company.

* Includes ₹ 3.68 million towards expenditure for CSR activities and ₹ 3.43 million towards remittance for an ongoing project of CSR

Nature of activity :

As a part of CSR Activity, the Company is creating solar Infrastructure in villages in Pune region and also Setting up CoE(Centre of excellence) at Industrial Training Institute, Leh.

47 CAPITAL AND OTHER COMMITMENTS

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances	**699.70**	791.65

48 LEASE

A Company as lessee

The Company has lease contracts for various items of building and leasehold land, etc. used in its operations. These leases generally have lease terms between 3 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of various assets with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) The carrying amount of right-of-use assets recognised and the movements during the year:

(In ₹ Million)

	Building	Leasehold Land	Total
As at 31st March, 2024	-	148.29	148.29
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(1.89)	(1.89)
As at 31st March, 2025	**-**	**146.40**	**146.40**
Additions	239.43	-	239.43
Disposals	-	-	-
Depreciation	(38.54)	(1.89)	(40.43)
As at 31st March, 2026	**200.89**	**144.51**	**345.40**

(ii) The carrying amount of lease liability and the movements during the period:

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	**-**	-
Additions during the period	**231.75**	-
Accretion of interest	**13.11**	-
Repayment of lease liabilities	**(42.44)**	-
Balance at the end of the year	**202.42**	-
Current	**49.29**	-
Non - current	**153.13**	-

iii) The amounts recognised in Statement of profit and loss : (In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
Depreciation expense of right-of-use assets	**40.43**	1.89
Interest expense on lease liabilities	**13.11**	**-**
Payments towards short term leases and low value leases (included in other expenses)	**4.05**	-
Total amount recognised in Statement of profit and loss	**57.59**	1.89

(iv) The Company had total cash outflows for leases of ₹ 42.44 million (31st March,2025: ₹ Nil).

(v) The weighted average incremental borrowing rate of 9.57% p.a has been applied to lease liabilities recognised in the balance sheet.

49 DISCLOSURE PURSUANT TO APPENDIX C TO IND AS 103:

During the year, the Company has entered into a business transfer agreement (BTA) with Bharat Forge Limited (BFL) - Holding company for transfer of Defence Business comprising of the related identifiable assets, employee and post- employment benefit liabilities with effect from July 01, 2025.The assets and liabilities under the agreement are transferred at the fair value as per the fair valuation report obtained. However, this being the common control transaction, book value accounting is followed as per Appendix C of Ind AS 103. The difference in the fair value and book value of the assets and liabilities is accounted under Amalgamation Adjustment Reserve under other equity.

Further, in accordance with Appendix C to Ind AS 103, the financial statements of the Company have been restated for the year ended 31 March 2025, as the acquisition of the Defence business is considered to have occurred from the beginning of the previous period, i.e. 1 April 2024. Accordingly, the corresponding figures have been restated. This transaction has been concluded at a consideration of INR 4,533.00 million which has been settled through issuance of 8% Optionally Convertible Redeemable Preference Shares (OCRPS) of ₹ 10 each, fully paid up to the Holding Company. The OCRPS will be converted on fixed to fixed basis at the option of the Company and the term of the same is 5 years. The difference between the carrying value of the assets and consideration paid has been recognised as amalgamation adjustment reserve.

a) **The below table summarizes the assets and liabilities taken over as on the date of transfer of business.**

(In ₹ Million)

	As at 1st July, 2025	As at 31st March, 2025	As at 31st March, 2024
Non-current assets	**146.49**	156.93	133.69
Current assets	**3,335.97**	4,915.99	5,120.23
Total assets (A)	**3,482.46**	**5,072.92**	**5,253.92**
Non-current liabilities	**-**	54.52	42.85
Current liabilities	**57.69**	1,201.04	1,120.81
Total liabilities (B)	**57.69**	**1,255.56**	**1,163.66**
Net assets (A - B= C)	**3,424.77**	3,817.36	4,090.26
Net consideration payable (D)	**4,533.00**	4,533.00	4,533.00
Amalgamation adjustment reserve (E)	**3,817.24**	(715.64)	(442.74)
Amalgamation adjustment reserve (profit /(loss) for respective years/period) (F)	**(219.82)**	1,708.85	-
Adjustment of amalgamation adjustment reserve during business transfer (G)	**(4,019.15)**	2,824.05	(272.90)
Amalgamation adjustment reserve balance in respective years (E+F+G=H)	**(421.71)**	3,817.24	(715.64)

b) **Movement of amalgamation adjustment reserve on account of business combination being effective 1st April, 2024 is as per table below:**

(In ₹ Million)

Amalgamation adjustment reserve as on 1st April, 2024	-
Net value of assets and liabilities as on 1st April, 2024	4,090.26
Less: Consideration payable	(4,533.00)
Less: Adjustment on account of business combinations	(272.90)
Restated amalgamation adjustment reserve as on 1st April, 2024	**(715.64)**
Add: Profit for the year 1st April, 2024 to 31st March, 2025	1,708.85
Add: Adjustment pertaining to Common control transaction	2,824.05
Amalgamation adjustment reserve as on 31st March, 2025	3,817.26
Add: Loss for the period 1st April, 2025 to 30th June, 2025	**(219.82)**
Add: Adjustment pertaining to Common control transaction	**(4,019.13)**
Amalgamation adjustment reserve as on 30th June, 2025	**(421.71)**

c) **Statement of profit and loss account post giving effect of the business combination for the year ended 31st March, 2026**

(In ₹ Million)

	Pre-business combination	Impact of business combination	Post business combination
Revenue from operations	12,234.25	10.45	12,244.70
Other income	230.55	-	230.55
Total Income	**12,464.80**	**10.45**	**12,475.25**
Total expenses	11,122.00	230.27	11,352.27
Profit /(loss) before tax	**1,342.80**	**(219.82)**	**1,122.98**
Exceptional Items	**(51.06)**	**-**	**(51.06)**
Tax expenses	371.96	-	371.96
Profit for the year	**919.78**	**(219.82)**	**699.96**
Other comprehensive Income for the year	36.35	-	36.35
Total comprehensive (loss) / Income for the year	**956.13**	**(219.82)**	**736.31**

d) **Balance sheet post giving effect of the business combination as at the year ended 31st March, 2025 is as below:**

(In ₹ Million)

	Pre-business combination	Impact of business combination	Post business combination
Total assets (A)	10,141.44	5,072.81	15,214.26
Total equity (B)	2,320.42	3,817.26	6,137.68
Total liabilities (C)	7,821.02	1,255.56	9,076.58
Total equity and liability (B + C = D)	10,141.44	5,072.82	15,214.26

e) **Profit and loss account post giving effect of the business combination as at the year ended 31st March, 2025 is as below:**

(In ₹ Million)

	Pre-business combination	Impact of business combination	Post business combination
Revenue from operations	12,470.29	1,574.68	14,044.97
Other income	249.57	-	249.57
Total Income	**12,719.86**	**1,574.68**	**14,294.54**
Total expenses	11,715.01	(783.52)	10,931.49
Profit before tax	**1,004.85**	**2,358.20**	**3,363.05**
Exceptional Items	(78.53)	-	(78.53)
Tax expenses	239.18	644.46	883.64
Profit for the year	**687.14**	**1,713.74**	**2,400.88**
Other comprehensive (loss) / Income for the year	0.32	(4.89)	(4.57)
Total comprehensive Income for the year	**687.46**	**1,708.85**	**2,396.31**

50 RATIO ANALYSIS :

		Numerator	Denominator	31st March 2026	31st March 2025	Variance %
(a)	Current ratio	Current assets	Current liabilities	**1.20**	1.42	-15.51%
(b)	Debt - equity ratio (Refer note no. (i) below)	Total debt	Shareholder's equity	-	-	0.00%
(c)	Debt service coverage ratio (Refer note no. (ii) below)	Earnings available for debt services	Debt service	**21.72**	3,320.58	-99.35%
(d)	Return on equity ratio (Refer note no. (ii) below)	Profit for the year	Average shareholders' equity	**10%**	62%	-83.25%
(e)	Inventory turnover ratio (Refer note no. (iii) below)	Cost of goods sold	Average Inventory	**2.27**	3.64	-37.50%
(f)	Trade receivables turnover ratio (Refer note no. (iv) below)	Revenue	Average trade receivable	**6.66**	5.27	26.39%
(g)	Trade payables turnover ratio (Refer note no. (iv) below)	Purchases + Other expenses	Average trade payables	**2.12**	1.44	47.45%
(h)	Net capital turnover ratio (Refer note no. (i) below)	Revenue	Working capital	**4.78**	8.35	-42.79%
(i)	Net profit ratio (Refer note no. (i) below)	Profit for the year	Revenue	**5.72%**	17.09%	-66.56%
(j)	Return on capital employed (Refer note no. (i) below)	Earning before interest and taxes	Capital Employed	**15.49%**	55.11%	-71.89%
(k)	Return on investment (Refer note no. (i) below)	Earning before interest and taxes	Average shareholder's equity	**16.09%**	84.56%	-80.97%

Notes :

(i) The Company does not have any borrowings hence this ratio is not applicable.

(ii) The profit before tax for year ended 31st March, 2025 includes income on account of business transfer agreement of ₹ 1,713.74 million vis-à-vis loss of ₹ 219.82 million in current year ended 31st March, 2026. Refer note 49

(iii) Increase in average inventory due to business transfer. Refer note 49

(iv) Increase in revenue from operations / purchase due to business transfer. Refer note 49

51 LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES

(In ₹ Million)

	As at 31st March, 2026	As at 31st March, 2025
BF Elbit Advanced Systems Private Limited*		
Balance outstanding	**22.34**	20.48
Maximum amount outstanding during the year	**22.34**	20.48
Aeron Systems Private Limited*		
Balance outstanding	**-**	-
Maximum amount outstanding during the year	**36.43**	20.14
Agneyatra Energetics Limited*		
Balance outstanding	**-**	-
Maximum amount outstanding during the year	**769.57**	-

*Refer note 38 for terms and conditions for loan given to subsidiary

*Repayable on demand

52 DISCLOSURES REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT , 2013

(In ₹ Million)

Name of the borrowing entity	Purpose for which loan is granted	Rate of interest (p.a.)	As at 31st March, 2026	As at 31st March, 2025
BF Elbit Advanced Systems Private Limited*#	General Corporate Purpose	9.70%	**22.34**	20.48
Aeron Systems Private Limited*	General Corporate Purpose	9.00%	**-**	**-**
Agneyatra Energetics Limited*	General Corporate Purpose	9.00%	**-**	**-**

*Refer note 38 for terms and conditions for loan given to subsidiary

*Repayable on demand and all loans are unsecured

**Details of investments made are as per note 6

Guarantee given on behalf of Sagar-Manas Technologies Limited, subsidiary company of ₹ Nil (March 31, 2025 : ₹ 16.50 million) for availing non-fund based credit facilities from the banks.

53 OTHER STATUTORY INFORMATION :

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Company has not revaluated its property, plant and equipment (including Right-of-Use Assets) or intangible assets or both during the current financial year

(f) Pursuant to the second proviso to Section 149(1) of the Companies Act, 2013, read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, certain classes of public companies are required to have at least one woman director on the Board.

The Company meets the prescribed criteria under the above provisions and was consequently required to appoint a woman director. However, the Company does not have a woman director on its Board, resulting in non-compliance with the aforesaid provisions.

The management has taken corrective steps and is currently in the process of appointing a woman director, and necessary actions including identification of a suitable candidate and initiation of the appointment process have been undertaken. The Company expects to complete the appointment in accordance with the requirements of the Companies Act, 2013.

Under Section 172 of the Companies Act, 2013, penalties may be levied on the Company and its officers in default for non-compliance with Section 149. As at the date of approval of these financial statements:

No adjudication order has been received, and the management, based on internal assessment, has assessed that the quantum of potential penalty, if any, is not expected to be material.

(g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act, 1961 (such as, research or survey or any other relevant provisions of the income tax act, 1961)

(h) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly the Company has used accounting software's for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software's. However the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software's used for maintaining the books of accounts. Additionally, the audit trail has been preserved by the company as per the statutory requirements for records retention.

As per our attached report of the even date,
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Ankit Agrawal
Partner
Membership Number. 137967
UDIN:26137967GVYTJW3977

Place: Pune
Date: 5th May, 2026

For and on behalf of the Board of Directors of
Kalyani Strategic Systems Limited

Neelesh Tungar
Director & Chief Executive Officer
DIN: 05229865
Place : Lucknow

Rajinder Singh Bhatia
Director
DIN: 05333963
Place : Pune

Sunil Kulkarni
Chief Financial Officer

Place : Pune
Date: 5th May, 2026

Nikita Naik
Company Secretary
ACS: 61125
Place : Pune
Date: 5th May, 2026

Sagar-Manas Technologies Limited

Registered Office
C/o Bharat Forge Limited Mundhwa, Pune 411 036

Independent Auditor's Report

To the Members of Sagar-Manas Technologies Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Sagar-Manas Technologies Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including annexures to Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take such actions as are required under the provisions of the Companies Act, 2013.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financials statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g).

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification related to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules 2014.

g) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position;

b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) Based on our examination, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility for the financial year. The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail. Consequently, we

are unable to comment on audit trail feature of the said software as well as its capabilities of preservation of records as per the statutory requirement for record retention.

C. The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, reporting requirements under section 197(16) of the Act do not apply to the Company.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953GPVETV1343

Place : Pune
Date : 5th May, 2026

"ANNEXURE A" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF SAGAR-MANAS TECHNOLOGIES LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2026.

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company does not have any Property, Plant and Equipment as on 31st March, 2026. Hence, clause 3(i)(a)(A) of the Order is not applicable.

(B) The Company does not have any Intangible Assets as on 31st March, 2026. Hence, clause 3(i)(a)(B) of the Order is not applicable.

(b) The Company does not have any Property, Plant and Equipment as on 31st March, 2026. Hence, clause 3(i)(b) of the Order is not applicable.

(c) The Company does not own any immovable properties.

(d) The Company does not have any Property, Plant and Equipment (including right-of-use assets) and intangible assets. Hence, clause 3(i)(d) of the Order is not applicable.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion and based on the policy adopted by the management, the frequency of verification by the management is reasonable and the coverage and procedure for such verification were appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets of the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not required to file the cash flow statements/stock/book debts with the bank with regard to the securities provided against working capital facility on periodic basis.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or other parties. Hence, clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither given any loan to any person or other body corporate nor given any guarantee or provided security in connection with a loan to any other body corporate or person. Similarly, the Company has also not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable.

(vi) The requirement to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 does not apply to the Company. Hence, reporting under clause (vi) of the Order is not applicable.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, Undisputed statutory dues including Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act 1952 do not apply to the Company. According to the information and explanations given to us and based on audit procedures performed by us,

there were no undisputed dues in respect of Goods and Services Tax, Income-Tax, Duty of Custom, Cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable.

(ix) (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon, to any lender.

(b) According to the information and explanation given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed and the information and explanations given to us by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, the Company has not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the Ind AS.

(xiv) The provisions of section 138 of the Companies Act, 2013 do not apply to the Company and no internal audit was carried out during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of Core Investment Companies (Reserve Banks) Directions, 2016) has more than one CIC as part of the Group. The Group has two CIC's as part of the Group.

(xvii) The Company has incurred the following amounts of cash losses during the financial year covered by this report and also in the preceding financial year.

	FY 2025-26 ₹ in Hundreds	FY 2024-25 ₹ in Hundreds
Cash losses incurred	**9,561.71**	6,194.43

(xviii) There has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the verification of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities and other information accompanying financial statements, and information and explanation given to us, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of 135 of the Companies Act, 2013 do not apply to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953GPVETV1343

Place : Pune
Date : 5th May, 2026

"ANNEXURE B" REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF SAGAR-MANAS TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2026.

Opinion

We have audited the internal financial controls over financial reporting of **Sagar-Manas Technologies Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953
UDIN : 26142953GPVETV1343

Place : Pune
Date : 5th May, 2026

Balance sheet

as at 31st March, 2026

(In ₹ Hundreds)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Financial assets			
	(i) Other financial assets	3	**200.00**	-
			200.00	**-**
2	**Current assets**			
	(a) Inventories	4	**3,735.28**	-
	(b) Financial assets			
	(i) Cash and cash equivalents	5	**1,992.33**	46.56
	(c) Other Current Assets	6	**3,689.87**	-
			9,417.48	46.56
	TOTAL :		**9,617.48**	46.56
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	7	**75.00**	75.00
	(b) Other equity	8	**(18,346.84)**	(8,785.13)
			(18,271.84)	(8,710.13)
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	9		
	Dues to micro enterprises and small enterprises		**-**	-
	Dues to other than micro enterprises and small enterprises		**22,764.07**	8,562.55
	(b) Other current liabilities	10	**5,125.25**	194.14
			27,889.32	8,756.69
	TOTAL :		**9,617.48**	46.56
Significant accounting policies and notes forming an integral part of the financial statements		**1-26**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953

UDIN : 26142953GPVETV1343
Place : Pune
Date : 5th May, 2026

On behalf of the Board of Directors of
Sagar-Manas Technologies Limited

Neelesh Tungar
Director
DIN: 05229865

Leeni Srivastava
Director
DIN: 09528136

Place : Pune
Date : 5th May, 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

(In ₹ Hundreds)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I	**Revenue from operations**		-	-
II	**Other income**		-	-
III	**Total income**		-	-
IV	**Expenses**			
	a) Purchases of stock in trade	11	**3,735.28**	-
	b) Changes in inventories of stock in trade	12	**(3,735.28)**	-
	c) Finance Cost	13	**5,043.54**	-
	d) Other expenses	14	**4,518.17**	6,194.43
	Total expenses		**9,561.71**	6,194.43
V	**Loss before tax**		**(9,561.71)**	(6,194.43)
VI	**Tax expenses**		-	-
VII	**Loss for the year**		**(9,561.71)**	(6,194.43)
VIII	**Other comprehensive income**		-	-
IX	**Total comprehensive income for the year (V+VI)**		**(9,561.71)**	(6,194.43)
X	**Earnings per equity share [nominal value of ₹ 10/-]**			
	a) Basic (In ₹)	17	**(1,274.89)**	(825.92)
	b) Diluted (In ₹)	17	**(1,274.89)**	(825.92)
Significant accounting policies and notes forming an integral part of the financial statements		**1-26**		

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953

UDIN : 26142953GPVETV1343
Place : Pune
Date : 5th May, 2026

On behalf of the Board of Directors of
Sagar-Manas Technologies Limited

Neelesh Tungar
Director
DIN: 05229865

Leeni Srivastava
Director
DIN: 09528136

Place : Pune
Date : 5th May, 2026

Statement of Changes in Equity

for the year ended 31st March, 2026

a Equity share capital (In ₹ Hundreds)

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.		Nos.	
Balance at the beginning	**750**	**75.00**	750	75.00
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning	**750**	**75.00**	750	75.00
Changes in equity share capital	**-**	**-**	-	-
As at end of the year	**750**	**75.00**	750	75.00

b Other equity (In ₹ Hundreds)

	Retained Earnings	Total
Balance as at 1st April, 2024	(2,590.70)	(2,590.70)
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning	(2,590.70)	(2,590.70)
Add : Loss for the year	(6,194.43)	(6,194.43)
Other comprehensive income	-	-
Balance as at 31st March, 2025	(8,785.13)	(8,785.13)
Changes in equity share capital due to prior period errors	**-**	-
Restated balance at the beginning	**(8,785.13)**	**(8,785.13)**
Add : Loss for the year	**(9,561.71)**	**(9,561.71)**
Other comprehensive income for the year	**-**	**-**
Balance as at 31st March, 2026	**(18,346.84)**	**(18,346.84)**

c Total equity (In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Equity share capital	**75.00**	75.00
Other equity	**(18,346.84)**	(8,785.13)
	(18,271.84)	(8,710.13)
Significant accounting policies and notes forming an integral part of the financial statements	**1-26**	

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953

UDIN : 26142953GPVETV1343
Place : Pune
Date : 5th May, 2026

On behalf of the Board of Directors of
Sagar-Manas Technologies Limited

Neelesh Tungar
Director
DIN: 05229865

Leeni Srivastava
Director
DIN: 09528136

Place : Pune
Date : 5th May, 2026

Cash Flow Statement

for the year ended 31st March, 2026

(In ₹ Hundreds)

			Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**			
	Loss before tax		**(9,561.71)**	(6,194.43)
	Operating loss before working capital changes		**(9,561.71)**	(6,194.43)
	Movements in working capital :			
	(Increase) / decrease in other financial assets		**(200.00)**	-
	(Increase) / decrease in other current assets		**(3,689.87)**	-
	(Increase) / decrease in inventories		**(3,735.28)**	-
	Increase / (decrease) in trade payables		**14,201.52**	6,060.29
	Increase / (decrease) in other current liabilities		**4,931.11**	134.14
			11,507.48	6,194.43
	Cash generated from operations		**1,945.77**	-
	Direct taxes paid (net of refunds)		**-**	-
	Net cash flows from operating activities	**(A)**	**1,945.77**	-
(B)	**Cash flows from investing activities**		-	-
	Net cash flows used in investing activities	**(B)**	**-**	-
(C)	**Cash flows from financing activities**		**-**	-
	Net cash flows from/(used in) financing activities	**(C)**	**-**	-
(D)	**Net increase in cash and cash equivalents (A+B+C)**		**1,945.77**	-
(E)	**Cash and cash equivalents at the beginning of the year**		**46.56**	46.56
(F)	**Cash and cash equivalents at the end of the year**		**1,992.33**	46.56

Components of cash and cash equivalents (In ₹ Hundreds)

		As at 31st March, 2026	As at 31st March, 2025
Balances with banks in current accounts		**1,992.33**	46.56
	TOTAL :	**1,992.33**	46.56

Significant accounting policies and notes forming an integral part of the financial statements **1-26**

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953

UDIN : 26142953GPVETV1343
Place : Pune
Date : 5th May, 2026

On behalf of the Board of Directors of
Sagar-Manas Technologies Limited

Neelesh Tungar
Director
DIN: 05229865

Leeni Srivastava
Director
DIN: 09528136

Place : Pune
Date : 5th May, 2026

Notes Forming part of the Financial Statements

for the year ended 31st March, 2026

1 CORPORATE INFORMATION:

Sagar-Manas Technologies Limited was incorporated on 7th March, 2022, as a public limited company under the Companies Act, 2013. The Company is a 51:49 Joint Venture between Kalyani Strategic Systems Limited and Open Joint Stock Company Dastan Transnational Corporation Limited, Kyrgyz Republic. Kalyani Strategic Systems Limited is the Holding Company. Corporate Identity Number of the Company is U29100PN2022PLC209117.

The Company is engaged in the business of design, development, manufacturing, assembly, testing, integration, trading, marketing, sales, providing services, spares support, after-sales support R&D for various marine and defense product and solutions.

These financial statements were authorised for issue in accordance with resolution of the Board of Directors on 5th May, 2026.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest Hundred rupees.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency transactions and translations :

The Company's financial statements are presented in INR, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

2.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 18)

b) Financial instruments (including those carried at amortized cost) (note 19)

c) Quantitative disclosures of fair value measurement hierarchy (note 20)

2.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 18.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Warranty :

The Company provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for a pre-defined period during the tenure of the warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

d) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

e) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.13.

f) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in “other income” in the statement of profit and loss.

g) Profit / Loss on sale of investments :

Profit / Loss on sale of investments is recognised when all the significant risk and rewards of ownership in investment is transferred.

h) Dividends :

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

i) Significant Financing Component

For the majority of the contracts, advance payments are received, prior to commencement of work and milestone payments are paid in accordance with the terms of the contract. Payments received from customers in advance are not considered to be a significant financing component as they are given with the objective to protect the interest of the contracting parties.

2.6 Government grants :

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

2.7 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables ad payables in the balance sheet.

2.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

2.10 Inventories :

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares, loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at lower of cost and are determined on a weighted average basis and net realisable value.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

2.11 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.12 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.13 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent

changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk

has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the

terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

2.14 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.15 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.16 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

2.17 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

2.18 Cash flow statement :

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.

2.19 Recent Pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3 OTHER NON-CURRENT FINANCIAL ASSETS:

(Unsecured, Good) (In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Security Deposits	**200**	**-**
TOTAL :	**200**	-

4 INVENTORIES:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Stock-in-Trade	**3,735.28**	-
TOTAL :	**3,735.28**	-

5 CASH AND BANK BALANCES:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Cash and cash equivalents		
Balances with banks		
In current accounts[(a)]	**1,992.33**	46.56
TOTAL :	**1,992.33**	46.56

(a) Overdraft facility from ICICI Bank

Overdraft facility availed from ICICI Bank Ltd is secured by hypothecation of stock in trade and book debts. The facility is backed by Letter of Comfort issued by Kalyani Strategic Systems Limited (the Holding Company). It carries interest @ Repo + 3.15% p.a.

6 OTHER CURRENT ASSETS:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Balances with government authorities	**2,764.90**	-
Prepaid expenses	**924.97**	-
TOTAL :	**3,689.87**	**-**

7 EQUITY SHARE CAPITAL:

(In ₹ Hundreds)

			As at 31st March, 2026	As at 31st March, 2025
Authorised				
750	750	Equity shares of ₹ 10/- each	**75.00**	75.00
Issued, Subscribed and fully paid-up				
750	750	Equity shares of ₹ 10/- each	**75.00**	75.00
Total issued, subscribed and fully paid-up share capital :			**75.00**	75.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**In ₹ Hundreds**	Nos.	In ₹ Hundreds
Equity Shares				
At the beginning of the period	**750**	**75.00**	750	75.00
Shares issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**750**	**75.00**	750	75.00

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the Holding Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid				
Kalyani Strategic Systems Limited, the Holding Company#	**383**	**51.07**	383	51.07

Including shares held through Nominees

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2026		As at 31st March, 2025	
	Nos.	**% of Holding**	Nos.	% of Holding
Equity shares of ₹ 10 each fully paid				
Kalyani Strategic Systems Limited, the Holding Company#	**383**	**51.07**	383	51.07
Open Joint Stock Company Dastan Transnational Corporation Limited	**367**	**48.93**	367	48.93

Including shares held through Nominees

(e) Shares held by Promoters

Promoter Name	As at 31st March, 2026		As at 31st March, 2025		% Changes during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Kalyani Strategic Systems Limited, the Holding Company#	**383**	**51.07**	**383**	**51.07**	**-**
Open Joint Stock Company Dastan Transnational Corporation Limited	**367**	**48.93**	**367**	**48.93**	**-**

Including shares held through Nominees

Promoter Name	As at 31st March, 2025		As at 31st March, 2024		% Changes during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Kalyani Strategic Systems Limited, the Holding Company#	383	51.07	383	51.07	-
Open Joint Stock Company Dastan Transnational Corporation Limited	367	48.93	367	48.93	-

Including shares held through Nominees

8 OTHER EQUITY:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
As per last account	**(8,785.13)**	(2,590.70)
Add : Loss for the year	**(9,561.71)**	(6,194.43)
Closing balance	**(18,346.84)**	(8,785.13)

9 TRADE PAYABLES:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	22,764.07	8,562.55
TOTAL :	**22,764.07**	8,562.55

Trade payables include related party payables, refer note no. 16

Trade payables ageing schedule

(In ₹ Hundreds)

	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2026						
Undisputed dues to MSME	-	-	-	-	-	-
Undisputed dues to other than MSME	675.00	14,215.52	5,911.29	1,962.26	-	22,764.07
Disputed dues to MSME	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-
	675.00	14,215.52	5,911.29	1,962.26	-	22,764.07
As at 31st March, 2025						
Undisputed dues to MSME	-	-	-	-	-	-
Undisputed dues to other than MSME	689.00	5,911.29	1,962.26	-	-	8,562.55
Disputed dues to MSME	-	-	-	-	-	-
Disputed dues to other than MSME	-	-	-	-	-	-
	689.00	5,911.29	1,962.26	-	-	8,562.55

Unbilled represents accrual of expenses

10 OTHER CURRENT LIABILITIES:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	125.25	194.14
Contract Liabilities		
Advance from customer[(a)(b)(c)]	5,000.00	-
TOTAL :	**5,125.25**	194.14

(a) Include advance from related party payables, refer note no. 16

(b) Advance considerations have been received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the goods are passed on to the customers.

(c) Changes in contract liabilities are as under (In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	-	-
Advances received during the year	5,000.00	-
Revenue recognised during the year	-	-
Balance at the end of the year	5,000.00	-
Of the above,		
Non-current	-	-
Current	5,000.00	

11 PURCHASES OF STOCK IN TRADE:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Purchases of stock in trade	3,735.28	-
TOTAL :	3,735.28	-

12 CHANGES IN INVENTORIES OF STOCK IN TRADE:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Inventories at the beginning of the year		
Stock in Trade	-	-
Inventories at the close of the year		
Stock in Trade	3,735.28	-
TOTAL :	(3,735.28)	-

13 FINANCE COST:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on borrowings	28.54	-
Other borrowing costs	5,015.00	-
TOTAL :	5,043.54	-

14 OTHER EXPENSES:

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Rates & taxes	110.00	1,065.90
Legal & professional fees	875.84	274.50
Payment to auditors [Refer (a) below]	750.00	750.00
Guarantee commission	2,755.18	4,104.03
Miscellaneous expenses#	27.15	-
TOTAL :	4,518.17	6,194.43

Miscellaneous expenses include bank charges, travelling expenses, etc.

(a) Payment to auditors (excluding GST)

(In ₹ Hundreds)

	Year ended 31st March, 2026	Year ended 31st March, 2025
As auditor		
- Audit fee	**500.00**	500.00
Income tax matters	**250.00**	250.00
TOTAL :	**750.00**	750.00

15 SEGMENT REPORTING:

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is engaged in the business of design, development, manufacturing, assembly, testing, integration, trading, marketing, sales, providing services, spares support, after-sales support R&D for various marine and defense product and solutions; which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.16. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

16 RELATED PARTY DISCLOSURES:

(i) Names of the related parties and related party relationship

Holding Company :	i) Kalyani Strategic Systems Limited
Enterprises having significant influence in the Company :	i) Open Joint Stock Company Dastan Transnational Corporation Limited
Key Managerial Personnel :	i) Mr. Neelesh Tungar, Director ii) Mrs. Leeni Srivastava, Director iii) Mr. Ajay Sharma, Director

(ii) Related parties with whom transactions have taken place during the year

(In ₹ Hundreds)

Sr. No.	Nature of transaction	Year ended 31st March, 2026	Year ended 31st March, 2025
Kalyani Strategic Systems Limited : Holding Company			
1	Reimbursement of expenses paid (Refer Note (a) below)	**7,329.37**	3,731.08
2	Purchase of stock in trade	**3,735.28**	-
3	Advance received from customer	**5,000.00**	-
4	Corporate guarantee commission paid	**985.32**	1,379.45
5	Corporate guarantee received	**-**	163,474.43
6	Corporate guarantee repaid	**163,474.43**	-

(iii) Balances outstanding (In ₹ Hundreds)

Sr. No.	Nature of transaction	As at 31st March, 2026	As at 31st March, 2025
Kalyani Strategic Systems Limited : Holding Company			
1	Trade payable	**21,933.62**	7,873.55
2	Advance from customer	**5,000.00**	-
3	Corporate guarantee	**-**	163,474.43

(a) Reimbursement of costs paid to/received from related parties are at cost.

(b) All other transactions are in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

17 EARNINGS PER SHARE (EPS):

	Year ended 31st March, 2026	Year ended 31st March, 2025
Loss for the year attributable to shareholders (In ₹ Hundreds)	**(9,561.71)**	(6,194.43)
Weighted average number of equity shares for basic EPS	**750**	750
Weighted average number of equity shares for diluted EPS	**750**	750
EPS - Basic (in ₹)	**(1,274.89)**	(825.92)
EPS - Diluted - (in ₹)	**(1,274.89)**	(825.92)

18 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following significant judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

a) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone

selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 19 and 20 for further disclosures.

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

f) Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain

whether an allowance is required to be made in the financial statements for any obsolete, slow-moving and items where net realizable value is below cost. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

19 FINANCIAL INSTRUMENTS BY CATEGORY:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments :

(In ₹ Hundreds)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I) Financial assets	**-**	-	**-**	-
II) Financial liabilities	**-**	-	**-**	-

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

20 FAIR VALUE HIERARCHY:

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

21 FINANCIAL RISK MANAGEMENT DISCLOSURE:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include deposits, cash and cash equivalents.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, etc.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) Foreign currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities denominated in foreign currency.

iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments

that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, other receivables and deposits and other financial instruments.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ Hundreds)

	Less than 1 year	1 year to 5 years	> 5 years	Total
As at 31st March, 2026				
Trade payables	**22,764.07**	**-**	**-**	**22,764.07**
	22,764.07	**-**	**-**	**22,764.07**
As at 31st March, 2025				
Trade payables	8,562.55	-	-	8,562.55
	8,562.55	-	-	8,562.55

22 GOING CONCERN:

The Company has incurred losses of ₹ 9,561.71 hundreds (31st March, 2025 : 6,194.43 hundreds) during the year. As at 31st March, 2026, the Company's accumulated losses are ₹ 18,346.84 hundreds (31st March, 2025 : ₹ 8,785.13 hundreds) which have completely eroded the net worth of the Company. The Company also has net current liabilities of ₹ 18,471.84 hundreds as at 31st March, 2026 (31st March, 2025 : ₹ 8,710.13 hundreds). The management is confident of streamlining the operations so as to start generating profits. During the year, the Company has availed working capital facilities from banks for funding the working capital requirements. In view of the Holding Company's continued commitment and support to the Company these financial statements have been prepared on going concern basis, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

23 INCOME TAX:

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025:

(In ₹ Hundreds)

	As at 31st March, 2026	As at 31st March, 2025
Accounting loss before tax	**(956.17)**	(619.44)
At India's enacted tax rate of 25.17% (31st March, 2025: 17.16%)	**-**	-
Deferred tax savings on current year accounting loss	**(240.67)**	(106.30)
Tax effect of non-deductible expenses	**-**	-
Deferred tax asset not recognised	**240.67**	106.30
At the effective income tax rate of 25.17% (31st March, 2025: 17.16%)	**-**	-
Income tax expense reported in the statement of profit and loss	**-**	-

b) The Company has carried forward business loss ₹ 1,786.83 hundreds (31st March, 2025 : ₹ 830.66 hundreds). The Company has not recognized deferred tax assets in respect of business loss amounting to ₹ 449.75 hundreds (31st March, 2025 : ₹ 142.54 hundreds) carried forward as per the provisions of the Income Tax Act, 1961.

24 RATIO ANALYSIS:

	Numerator	Denominator	31st March, 2026	31st March, 2025	Variance %
(a) Current ratio (Refer Note i)	Current Assets	Current Liabilities	**0.34**	0.01	6250.73%
(b) Trade payables turnover ratio (Refer Note ii)	Purchases + Other expenses	Average trade payables	**0.42**	0.72	-41.94%

Notes

(i) Due to incrase in current assets

(ii) Due to incrase in trade payables

(iii) Since the Company has negative net worth and lossess during the current financial year as well as for previous financial year and Revenue from Operations is NIL following rations can not be derived.

Return on equity ratio

Net profit ratio

Net capital turnover ratio

Return on capital employeed inventory Turnover Ratio

Debt Equity ratio

Debt service Coverage ratio

Trade Receivable ratio

Return on investment ratio

25

As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay interest to micro and small enterprises on overdue beyond the specified period irrespective of the terms agreed with the suppliers. For the purpose of identification of such suppliers, the company has sent confirmations to all its suppliers. Based upon the confirmations received as of 31st March, 2026 and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

26 OTHER STATUTORY INFORMATION:

(a) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(b) There is no proceeding initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(c) The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) During the year ended 31st March, 2026, the Company was not party to any scheme which needs approval from competent authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(f) 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 person or entity, 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.

The Company has not received any fund from any person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall (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.

(g) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and accordingly the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit Log) facility. However, The accounting software did not have the audit trail features enabled throughout the year. The Company is in the process of establishing necessary controls and documentations regarding audit trail.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Sunit S. Shaha
Partner
Membership No. 142953

UDIN : 26142953GPVETV1343
Place : Pune
Date : 5th May, 2026

On behalf of the Board of Directors of
Sagar-Manas Technologies Limited

Neelesh Tungar
Director
DIN: 05229865

Leeni Srivastava
Director
DIN: 09528136

Place : Pune
Date : 5th May, 2026

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Zorya Mashproekt India Private Limited

Registered Office

IV-23/146 Lajpat Nagar IV, South Delhi, Delhi, India,110 024

Standalone Balance Sheet

as at 31 March 2026

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	**3**	46.00	93.98
Intangible assets	**3**	-	-
Income tax assets	**16**	59.00	637.93
		105.00	731.91
Current assets			
Financial assets			
(i) Trade receivables	**4**	-	-
(ii) Cash and bank balances	**5**	1,481.58	2,028.71
Other current assets	**6**	224.55	50.66
		1,706.13	**2,079.37**
		1,811.13	**2,811.28**
Equity and liabilities			
Equity			
Share capital	**7**	7,700.00	7,700.00
Other equity	**8**	(7,235.47)	(5,089.75)
		464.53	**2,610.25**
Non-current liabilities			
Financial liabilities			
(i) Other non-current financial liabilities		**-**	-
		-	-
Current liabilities			
Financial liabilities			
(i) Short-term borrowings	**9**	-	172.01
Trade payables	**10**		
- due to micro enterprises and small enterprises		-	-
- due to others		1,232.48	-
(ii) Other financial liabilities		-	-
Other current liabilities			
Short term provisions		-	-
Other current liabilities	**11**	114.12	29.02
		1,346.60	**201.03**
		1,811.13	**2,811.28**
Significant accounting policies	**1-2**		
Notes to the standalone financial statements	**3-27**		

The notes referred to above form an integral part of standalone financial statements
Subject to our separate report of even date

For and on behalf of the board of directors of
Zorya Mashproekt India Private Limited

Shalini Kapoor
Director
DIN: 07441261
Date : 6th May, 2026

Guru Prasad Biswal
Director
DIN: 10168493
Date : 6th May, 2026

Standalone Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	Notes	31 March 2026	31 March 2025
Income			
Revenue from operations	**12**	-	5,900.00
Other income	**13**	43.52	26.12
Total income		**43.52**	**5,926.12**
Expenses			
Employee benefit expenses	**14**	868.33	5,780.00
Depreciation Expenses	**3**	47.99	47.99
Other expenses	**15**	1,272.93	1,540.57
Total expenses		**2,189.24**	**7,368.56**
Loss before tax		**(2,145.72)**	**(1,442.44)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Earlier year taxes		-	-
Loss for the year		**(2,145.72)**	**(1,442.44)**
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss in subsequent periods		-	-
Items that will be reclassified to Statement of Profit and Loss in subsequent periods		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(2,145.72)**	**(1,442.44)**
Basic and diluted loss per equity share of face value Rupees 10/- each	**17**	**(2.79)**	**(1.87)**
Significant accounting policies	**1-2**		
Notes to the standalone financial statements	**3-27**		

The notes referred to above form an integral part of standalone financial statements
Subject to our separate report of even date

For and on behalf of the board of directors of
Zorya Mashproekt India Private Limited

Shalini Kapoor
Director
DIN: 07441261
Date : 6th May, 2026

Guru Prasad Biswal
Director
DIN: 10168493
Date : 6th May, 2026

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in Indian Rupees thousands, unless otherwise stated)

(A) Equity share capital

Equity shares of face value of Rs. 10 each issued, subscribed and paid up

Notes	Amount
As at 01 April 2024	2,600.00
Issue of fully paid equity shares of Rs. 10 each	5,100.00
As at 31 March 2025	**7,700.00**
As at 01 April 2025	7,700.00
Issue of fully paid equity shares of Rs. 10 each	0.00
As at 31 March 2026	**7,700.00**

(B) Other equity

	Share application money pending allotment	Retained earnings	Total
As at 01 April 2024	-	(3,647.31)	(3,647.31)
Loss for the year	-	(1,442.44)	(1,442.44)
Share application money pending allotment	-	-	-
As at 31 March 2025	**-**	**(5,089.75)**	**(5,089.75)**
As at 01 April 2025	-	(5,089.75)	(5,089.75)
Equity shares allotted during the year	-	-	-
Loss for the year	-	(2,145.72)	(2,145.72)
As at 31 March 2026	**-**	**(7,235.47)**	**(7,235.47)**

Significant accounting policies	**1-2**
Notes to the standalone financial statements	**3-27**

The notes referred to above form an integral part of standalone financial statements
Subject to our separate report of even date

For and on behalf of the board of directors of
Zorya Mashproekt India Private Limited

Shalini Kapoor
Director
DIN: 07441261
Date : 6th May, 2026

Guru Prasad Biswal
Director
DIN: 10168493
Date : 6th May, 2026

Standalone Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	31 March 2026	31 March 2025
A) Cash flow from operating activities		
Loss before tax	(2,145.72)	(1,442.44)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortisation	47.99	47.99
Finance costs	-	-
Operating profit before working capital changes	**(2,097.74)**	**(1,394.45)**
Movements in working capital:		
Decrease/(increase) in trade receivables	-	637.20
Increase in other non-current financial assets	-	-
Decrease / (increase) in other current assets	(173.89)	1,574.15
Decrease/(increase) in trade payables	1,232.48	-3,049.99
Increase in other current liabilities	85.10	-915.39
Working capital adjustments	**1,143.69**	**(1,754.03)**
Cash generated from operations	(954.05)	(3,148.48)
Direct taxes paid	578.93	(47.93)
Net cash flow from operating activities	**(375.12)**	**(3,196.41)**
B) Cash flows from investing activities		
Investment in subsidiary	-	-
Purchase of property, plant and equipment and intangible assets	-	-
Net cash flows used in investing activities	**-**	**-**
C) Cash flows from financing activities		
Proceeds from borrowings (net of repayment)	(172.01)	(260.55)
Proceeds from issue of equity shares	-	-
Proceeds from issue of preference shares	-	-
Proceeds from share application money pending allotment	-	-
Proceeds from inter-corporate deposits accepted	-	-
Repayment of inter-corporate deposits	-	-
Proceeds from issue of optionally convertible debentures	-	-
Interest on inter-corporate deposits and other finance liabilities	-	-
Net cash flows from financing activities	**(172.01)**	**(260.55)**

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	31 March 2026	31 March 2025
Net decrease in cash and cash equivalents	(547.13)	-3,456.96
Cash and cash equivalents at beginning of the year	2,028.72	5,485.68
Cash and cash equivalents at end of the year	**1,481.59**	**2,028.72**
D) Components of cash and cash equivalents		
Cash in hand	110.28	110.28
Cheques in hand	-	-
Balances with banks:		
In current accounts	1,371.30	1,918.43
Total cash and cash equivalents	**1,481.58**	**2,028.71**

Significant accounting policies	**1-2**
Notes to the standalone financial statements	**3-27**

The notes referred to above form an integral part of standalone financial statements
Subject to our separate report of even date

For and on behalf of the board of directors of
Zorya Mashproekt India Private Limited

Shalini Kapoor
Director
DIN: 07441261
Date : 6th May, 2026

Guru Prasad Biswal
Director
DIN: 10168493
Date : 6th May, 2026

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(All amounts are in Indian Rupees thousands, unless otherwise stated)

Particulars	Freehold Land	Freehold buildings	Plant and Equipment	Furniture and Fittings	Vehicles	Office Equipment and Computer	Electrical Installation	Total Tangible Assets	Computer Software	Total Tangible & Intangible Assets
Gross Block										
As at 1st April 2024	-	-	-	19.47	-	156.49	-	175.96	-	175.96
Exchange differences	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposal / Other Adjustment	-	-	-	-	-	-	-	-	-	-
Asset held for disposal	-	-	-	-	-	-	-	-	-	-
As at 31st March 2025	**-**	**-**	**-**	**19.47**	**-**	**156.49**	**-**	**175.96**	**-**	**175.96**
Gross Block										
As at 1st April 2025	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposal / Other Adjustment	-	-	-	-	-	-	-	-	-	-
Asset held for disposal	-	-	-	-	-	-	-	-	-	-
As at 31st March 2026	**-**	**-**	**-**	**19.47**	**-**	**156.49**	**-**	**175.96**	**-**	**175.96**
Accumulated Depreciation and Amortisation										
Upto 1st April 2024										
Depreciation change during the year	-	-	-	2.37	-	79.61	-	81.98	-	81.98
Disposals	-	-	-	-	-	-	-	-	-	-
Asset held for disposal	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-
As at 31st March 2025	-	-	-	2.37	-	79.61	-	81.98	-	81.98
Accumulated Depreciation and Amortisation										
Upto 1st April 2025	-	-	-	-	-	-	-	-	-	-
Depreciation change during the year	-	-	-	1.85	-	46.14	-	47.99	-	47.99
Disposals	-	-	-	-	-	-	-	-	-	-
Asset held for disposal	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-
As at 31st March 2026	**-**	**-**	**-**	**4.22**	**-**	**125.75**	**-**	**129.96**	**-**	**129.96**
Net carrying amount at 31st March 2025	**-**	**-**	**-**	**17.10**	**-**	**76.88**	**-**	**93.98**	**-**	**93.98**
Net carrying amount at 31st March 2026	**-**	**-**	**-**	**15.25**	**-**	**30.74**	**-**	**46.00**	**-**	**46.00**

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	31 March 2026	31 March 2025
4 TRADE RECEIVABLES		
Unsecured (undisuted)		
Considered good	-	-
Significant increase in credit risk	-	-
Credit impaired	-	-
Less : Impairment allowance (including allowance for bad debts and expected credit loss)	-	-
	-	-
	-	-

Trade receivables ageing schedule (net of impairment allowances and provision for bad debts and expected credit loss)

Particulars as at 31 March 2026	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and						
-considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
- loss allowances	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

Particulars as at 31 March 2025	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and						
-considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
- loss allowances	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

(All amounts are in Indian Rupees thousands, unless otherwise stated)

		31 March 2026	31 March 2025
5	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash in hand	110.28	110.28
	Cheques in hand	-	-
	Balances with banks		
	- in current accounts	1,371.30	1,918.43
	Other bank balances		
		1,481.58	**2,028.71**
	Details of bank balances/deposits		
	Bank balances available on demand	-	-
	Other bank balances	-	-
		-	-
6	**OTHER CURRENT ASSETS**		
	Balance with government authorities :		
	Withholding tax receivable	19.14	50.66
	Goods and services tax	205.41	-
	Accrued Interest	-	-
	Other Receivables	-	-
	Security Deposit	-	-
		224.55	**50.66**

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	31 March 2026	31 March 2025
7 SHARE CAPITAL		
Authorised capital:		
10,00,000 equity shares of Rs.10 each (31 March 2025: 10,00,000)	10,000	10,000
	-	-
	10,000	**10,000**
Issued, subscribed & paid up capital:		
(A) Equity share capital		
7,70,000 equity shares of Rs.10 each fully paid up (31 March 2025: 7,70,000)	7,700	7,700
(B) Instruments entirely equity in nature		
	-	-
	7,700	**7,700**

7.1 Rights, preference and restrictions attached to the shares

Equity Share Capital

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

7.2 Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	31 March 2026		31 March 2025	
	Number of shares	Amount (INR '000)	Number of shares	Amount (INR '000)
Equity share capital				
At the beginning of the year	770,000	7,700.00	770,000	7,700.00
Issued during the year *	-	-	-	-
Outstanding at the end of the year	**770,000**	**7,700.00**	**770,000**	**7,700.00**
Instruments entirely equity in nature Preference share capital				
At the beginning of the year	-	-	-	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-

(All amounts are in Indian Rupees thousands, unless otherwise stated)

7.3 Details of shareholders holding more than 5% shares are set out below

Particulars	31 March 2026		31 March 2025	
	Number of shares	Holding %	Number of shares	Holding %
Equity share capital				
Shalini Kapoor	210,000	28%	210,000	28%
Anila Bambani	50,000	7%	50,000	7%
Kalyani Strategic Systems Limited (KSSL)	500,000	66%	500,000	66%
	760,000	**100%**	**760,000**	**100%**

7.4 Details of shares held by the holding Company

Particulars	31 March 2026		31 March 2025	
	Number of shares	Holding %	Number of shares	Holding %
Equity share capital				
Kalyani Strategic Systems Limited (KSSL)	500,000	66%	500,000	66%
	500,000	**66%**	**500,000**	**66%**

7.5 Details of Shareholdings of Promoters

Name of Promoter	Number of Shares held as on 31 March 2026	% of total Shares	% change during the year ended 31 March 2026
Equity shares			
Shalini Kapoor	210,000	28%	0%
Anila Bambani	50,000	7%	0%
Kalyani Strategic Systems Limited (KSSL)	500,000	66%	

Name of Promoter	Number of Shares held as on 31 March 2025	% of total Shares	% change during the year ended 31 March 2025
Equity shares			
Shalini Kapoor	210,000	28%	0.00%
Anila Bambani	50,000	7%	0.00%
Kalyani Strategic Systems Limited (KSSL)	500,000	66%	

(All amounts are in Indian Rupees thousands, unless otherwise stated)

		31 March 2026	31 March 2025
8	**OTHER EQUITY**		
	Share application money pending allotment	-	-
	Retained earnings		
	As per last Balance Sheet	(5,089.75)	(3,647.31)
	Loss for the year	(2,145.72)	(1,442.44)
	Other Comprehensive Income for the year	-	-
		(7,235.47)	**(5,089.75)**
		(7,235.47)	**(5,089.75)**
9	**SHORT TERM BORROWINGS**		
	Unsecured		
	Loan from director	-	172.01
		-	**172.01**

Unsecured loans availed from others are repayable on demand and does not carry any interest.

(All amounts are in Indian Rupees thousands, unless otherwise stated)

		31 March 2026	31 March 2025
10	**TRADE PAYABLES**		
	Due to micro enterprises and small enterprises ("MSME") (refer note 21)	-	-
	Due to others	**1,232.48**	-
		1,232.48	-

Trade Payable ageing schedule

As on 31 March 2026

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed					
- MSME	-	-	-	-	-
- Others	1,232.48	-	-	-	**1,232.48**
Disputed					
- MSME	-	-	-	-	-
-Others	-	-	-	-	-
Unbilled dues*	-	-	-	-	-
	1,232.48	-	-	-	**1,232.48**

As on 31 March 2025

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed	-	-	-	-	-
- MSME	-	-	-	-	-
- Others	-	-	-	-	-
Disputed	-	-	-	-	-
- MSME	-	-	-	-	-
-Others					
Unbilled dues*	-	-	-	-	-
	-	-	-	-	-

* Unbilled dues represents provisions for expenses accounted for.

(All amounts are in Indian Rupees thousands, unless otherwise stated)

		31 March 2026	31 March 2025
11	**OTHER CURRENT LIABILITIES**		
	Statutory dues :		
	Withholding tax payable	114.12	29.02
	Goods and services tax	-	-
	Payable to employees	-	-
	Audit Fees Payable	-	-
		114.12	**29.02**
12	**REVENUE FROM OPERATIONS**		
	Sale of services	-	5,900.00
		-	5,900.00
	Note :		
	Disaggregation of revenue on the basis of geographical markets		
	Revenue from outside India	**-**	-
	Revenue from within India	-	5,900.00
		-	5,900.00
13	**OTHER INCOME**		
	Interest Income from Fixed deposit	-	4.44
	Interest on Income Tax	43.52	21.68
		43.52	**26.12**
14	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and bonus	868.33	5,780.00
		868.33	5,780.00

(All amounts are in Indian Rupees thousands, unless otherwise stated)

		31 March 2026	31 March 2025
15	**OTHER EXPENSES**		
	Legal and professional fees	125.00	436.59
	Rent	-	718.50
	Travelling expenses	-	15.11
	Payment to auditors (refer note below)	-	90.00
	Miscellaneous expenses	1,147.92	280.37
		1,272.92	**1,540.57**
	Auditors' remuneration (on accrual basis, net of taxes)		
	Statutory audit fees	-	90.00
	Other services	**-**	**-**
		-	**90.00**

(All amounts are in Indian Rupees thousands, unless otherwise stated)

	31 March 2026	31 March 2025
16 TAX EXPENSES		
(A) Statement of profit and loss		
(i) Tax expenses recognised in Statement of Profit and Loss		
Current tax	-	-
Deferred tax	-	-
	-	-
(ii) Tax expenses recognised in Other Comprehensive income	-	-
	-	-
(B) Balance sheet		
Net non current income tax asset at the beginning	-	-
Current income tax expense	-	-
Income tax on other comprehensive income	-	-
Changes in estimates related to prior years	-	-
Income tax paid (net of refunds)	59.00	637.93
Net non current income tax asset at the end	**59.00**	**637.93**
(C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for respective year		
Loss before tax	(2,145.72)	(1,442.44)
Income tax rate	25.17%	25.17%
Expected income tax expense	**(540.08)**	**(363.06)**
Tax losses for which no deferred tax was recognised	540.08	363.06
Effective income tax	-	-

(D) Deferred tax

Ind AS 12 - Accounting for taxes on income, states that where an enterprise has unused tax losses and unused tax credits, deferred tax assets should be recognised only to the extent it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Accordingly, the Company on a prudent basis has not recognised deferred tax asset on unused tax losses and unused tax credits.

(All amounts are in Indian Rupees thousands, unless otherwise stated)

17 EARNINGS PER SHARE (EPS)

Earnings per share has been computed as under :

Sr. No.	Particulars		31 March 2026	31 March 2025
A	Loss after tax	INR million	**(2,145.72)**	(1,442.44)
B	Weighted average number of equity shares outstanding during the year	Nos.	**770,000**	770,000
C	Nominal value of each share	in Rs.	**10**	10
D	Basic and diluted loss per share (A/B)	INR	**(2.79)**	(1.87)

18 SEGMENT INFORMATION

Reportable segments

The Board of Directors have been identified as the Chief Operating Decision-Maker who examine the Company's performance from geographic perspective. The Chief Operating Decision Maker has identified only one reportable segment of "sale of services". Hence the revenue, expenses, results, assets and liabilities disclosed in the financial statements of the Company are allocable to one segment.

	31 March 2026	31 March 2025
Geographical information		
(i) Segment revenue from customers		
- within India	-	5,900.00
- outside India	**-**	-
	-	5,900.00
(ii) Segment assets		
- within India	1,706.13	2,079.37
- outside India	**-**	-
	1,706.13	**2,079.37**

19 CONTINGENT LIABILITIES

Contingent liabilities **(to the extent not provided for)**	Nil	Nil

20 CAPITAL AND OTHER COMMITMENTS

	Nil	Nil

21 DISCLOSURE PURSUANT TO THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSME')

There are no amounts that needs to disclosed pertaining to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). As at 31 March, 2025, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with appropriate authority under MSMED Act, 2006. (31 March 2024 : Nil)

(All amounts are in Indian Rupees thousands, unless otherwise stated)

22 RELATED PARTY TRANSACTIONS

A. Enterprises exercising control over the Company

Bharat Forge Limited	Ultimate Holding Company
Kalyani Strategic Systems Limited (KSSL)	Holding Company

B. Individuals exercising control over the Company

Shalini Kapoor	Director (from 12 August 2022)
Anila Bambani	Director (upto 24 January 2024)
Guru Prasad Biswal	Director (from 24 January 2024)
S M Shivakumar	Director (from 24 January 2024)
Varun Shah	Director (from 24 January 2024)

C. Transactions with the above related parties and balances as at and for the year :

Name of the related party and nature of transaction	31 March 2026		31 March 2025	
	Transactions during the year (Rs.)	Balance receivable/ (payable) (Rs.)	Transactions during the year (Rs.)	Balance receivable/ (payable) (Rs.)
Bharat Forge Limited				
Sale of Services	-	-	5,900,000	-
Trade receivables	-	-	-	-
Kalyani Strategic Systems Limited (KSSL)				
Consultancy Fees	1,141,185	(1,346,598)	-	-

23 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of loans and borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and bank balances that is derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(A) Market risks

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments in mutual funds and trade receivables.

(i) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as the borrowings availed by the Company did not carry any interest.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities in foreign currency. The Company does not hedge its foreign currency exposures.

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data and subsequent expectation of receipts.

(ii) Other receivables, deposits with banks

Credit risk from balances with banks, financial institutions is managed in accordance with the Company's internal practices. Investments of surplus funds are made only with reputed banks and financial institutions where the counterparty risk is minimum.

(C) Liquidity risks

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2024 and 31 March 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The table below summarises the maturity profile of the Company's financial liabilities

Particulars	Less than 1 years	1 - 5 Years	More than 5 years	Total
31 March 2026				
Short term borrowings	-	-	-	-
Trade payables	1,232.48	-	-	**1,232.48**
Other financial liabilities	-	-		-
Total	**1,232.48**	-	-	**1,232.48**
31 March 2025				
Short term borrowings	172.01	-	-	172.01
Trade payables	-	-	-	-
Total	**172.01**	-	-	**172.01**

(All amounts are in Indian Rupees thousands, unless otherwise stated)

26 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

(a) Title deeds of immovable property not held in name of the Company

The Company does not hold any immovable properties.

(b) Valuation of Property, Plant and Equipment

The company has done valuation of property, plant and equipment in accordance with companies significant accounting policies as described in Note-2 of financial statements.

(c) Loans or advances granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

(d) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Reconciliation of returns or statements submitted with banks or financial institution

The Company does not have any borrowings from banks or financial institution, accordingly has not filled any periodical returns or statements with any banks or financial institution.

(f) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(g) Relationship with struck off Companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(h) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any creation or satisfaction of charges to be registered with the Registrar of Companies during the current or previous financial year.

(i) Compliance with number of layers of companies

The Company has complied with the rules related to number of layers of subsidiary prescribed under the Act.

(j) Following ratios need to be disclosed:

Sr. no.	Ratio	31 March 2026	31 March 2025	% Change in ratio	Reasons
(a)	Current ratio	**1.27**	**10.34**	-87.75%	Refer Note (i)
(b)	Debt-equity ratio	**-**	**-**	0.00%	NA**
(c)	Debt service coverage ratio	**-**	**-**	0.00%	NA**
(d)	Return on equity ratio	**(1.40)**	**(0.43)**	-96.27%	Refer Note (ii)
(e)	Inventory turnover ratio	**-**	-	0.00%	NA**
(f)	Trade receivables turnover ratio	**-**	**-**	0.00%	Refer Note (iii)
(g)	Trade payables turnover ratio	**-**	**-**	0.00%	NA**
(h)	Net capital turnover ratio	**-**	**2.27**	-226.96%	Refer Note (iii)
(i)	Net profit ratio	**-**	**(0.24)**	24.45%	Refer Note (iv)
(j)	Return on capital employed ratio	**(4.62)**	**(0.55)**	-406.65%	Refer Note (iv)
(k)	Return on investment ratio	**(4.62)**	**(0.55)**	-406.65%	Refer Note (iv)

NA* - variance in ratio is not more than 25%, accordingly no explanation for variance is detailed out.

NA** - variance in ratio could not be computed since the said ratios are not applicable to the Company.

Accounting Ratios formulas :

(a) Current Ratio = Current Assets / Current liabilities

(b) Debt-Equity Ratio = Total Debt / Total equity

(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

(d) Return on Equity Ratio = Profit for the year / Average equity

(e) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

(f) Trade receivables turnover ratio = Revenue from operations / Average Trade receivables

(g) Trade payables turnover ratio = Revenue from operations / Average Trade payables

(h) Net capital turnover ratio = Revenue from operations / Average Working Capital

(i) Net profit ratio = Profit for the year / Revenue from operations

(j) Return on Capital employed = EBIT / Capital employed (Total assets - Current liabilities)

(k) Return on investment = Profit for the year / (Debt + Total equity)

Accounting Ratios explanation :

(i) The outstanding trade payables of the Company as on Mar-24 were increased due to travel and other operating expenses, accordingly, the current liabilities were increased and the current ratio has decreased significantly.

(ii) Return on equity ratio is reduced on account of loss for the period.

(iii) The trade receivable turnover ratio and net capital turnover ratio has increased significantly due to service revenues arising from the group Companies during the current financial year and there was no revenue in previous financial year.

(iv) The net profit ratio, return on employeed capital ratio and return on investment ratio is negative (decreased) due to loss for the period.

(k) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(l) Utilisation of borrowed funds and share premium

The Company has not advanced or granted any loan or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year, the Company has received funds (via issue of equity shares) from Kalyani Strategic Systems Limited (KSSL).

The Company has not provided any guarantee, security or the like to or on behalf of the holding company.

(m) Undisclosed income

There is no income surrendered or disclosed as income, which is not recorded in books of accounts during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(n) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

27 PRIOR PERIOD COMPARATIVES

Prior year comparatives have been regrouped/ reclassified where necessary, to confirm with current year's presentation.

The notes referred to above form an integral part of standalone financial statements
Subject to our separate report of even date

For and on behalf of the board of directors of
Zorya Mashproekt India Private Limited

Shalini Kapoor	**Guru Prasad Biswal**
Director	Director
DIN: 07441261	DIN: 10168493
Date : 6th May, 2026	Date : 6th May, 2026

Aegis Advanced Systems SL

Registered Office
Ctra Antigua de Extremadura, km. 20, Mostoles, 28935 (Madrid)

Balance Sheet

as at 31st March, 2026

(In EURO)

		Notes	As at 31st March, 2026
I.	**ASSETS**		
1	**Current assets**		
a)	Financial assets		
	i) Cash and cash equivalents	2	**3,000**
	TOTAL :		**3,000**
II.	**EQUITY AND LIABILITIES**		
1	**Equity**		
b)	Equity share capital	3	**3,000**
c)	Other equity	4	**(511)**
			2,489
2	**Current liabilities**		
a)	Other current liabilities	5	**511**
			511
	TOTAL :		**3,000**
Significant accounting policies and notes forming an integral part of the financial statements		**1-11**	

On behalf of the Board of Directors of,
AEGIS ADVANCED SYSTEMS, S.L.

Neelesh Tungar
Director

Sunil Kulkarni
Secretary

Place : Pune
Date: 5th May, 2026

Statement of Profit and Loss

for the period ended 31st March, 2026

(In EURO)

		Notes	Period ended 31st March, 2026
I	**Revenue From operations**		-
II	**Other income**		-
	Total Revenue		-
III	**Expenses**		
	Other expenses	6	**511.00**
	Total expenses		**511.00**
IV	**Loss before tax**		**(511.00)**
V	**Tax expenses**		-
VI	**Loss for the period**		**(511.00)**
VII	**Other comprehensive income**		-
VIII	**Total comprehensive income for the period (VI+VII)**		**(511.00)**
Significant accounting policies and notes forming an integral part of the financial statements		**1-11**	

On behalf of the Board of Directors of,
AEGIS ADVANCED SYSTEMS, S.L.

Neelesh Tungar
Director

Sunil Kulkarni
Secretary

Place : Pune
Date: 5th May, 2026

Statement of Changes in Equity

for the period ended 31st March, 2026

a Equity share capital

	As at 31st March, 2026	
	Nos.	In EURO
Issued during the period	3,000	3,000.00
Balance as at 31st March, 2026	3,000	3,000.00

b Other equity

	Retained Earnings	Total
Loss for the period	(511.00)	(511.00)
Other comprehensive income for the period	-	-
Balance as at 31st March, 2026	(511.00)	(511.00)

c Total equity

In EURO

	As at 31st March, 2026
Equity share capital	3,000.00
Other equity	(511.00)
	2,489.00

Significant accounting policies and notes forming an integral part of the financial statements	**1-11**

On behalf of the Board of Directors of,
AEGIS ADVANCED SYSTEMS, S.L.

Neelesh Tungar
Director

Sunil Kulkarni
Secretary

Place : Pune
Date: 5th May, 2026

Cash Flow Statement

for the period ended 31st March, 2026

(In EURO)

		Period ended 31st March, 2026
(A)	**Cash flow from operating activities**	
	Profit before tax	(511)
	Operating loss before working capital changes	(511)
	Movements in working capital :	
	Increase / (decrease) in other current liabilities	511
		511
	Cash generated from operations	-
	Direct taxes paid (net of refunds)	-
	Net cash flows from operating activities	-
(B)	**Cash flows from investing activities**	
	Purachase of Property, Plant and Equipment (including capital work in progress)	-
	Net cash flows from/(used in) investing activities	-
(C)	**Cash flows from financing activities**	
	Equity shares issued	3,000
	Net cash flows from/(used in) financing activities	3,000
(D)	**Net increase in cash and cash equivalents**	3,000
(E)	**Cash and cash equivalents at the beginning of the period**	-
(F)	**Cash and cash equivalents at the end of the period**	3,000

Cash and cash equivalents

(In EURO)

	As at 31st March, 2026
Balances with bank	3,000
TOTAL :	3,000

Significant accounting policies and notes forming an integral part of the financial statements	**1-11**

On behalf of the Board of Directors of,
AEGIS ADVANCED SYSTEMS, S.L.

Neelesh Tungar	Sunil Kulkarni
Director	Secretary

Place : Pune
Date: 5th May, 2026

Notes Forming Part of the Financial Statements

for the period ended 31st March, 2026

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of accounting and preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities wherever existed, which have been measured at fair value:

i Derivative financial instruments,

ii Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognized assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in EURO.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

1.2 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.3 Foreign currency transactions and translations :

The Company's financial statements are presented in EURO, which is also the Company's functional currency. Items included in the financial statements are measured using functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the 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 (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange differences

Gains/losses arising out of fluctuations in the exchange rates are dealt with in the statement of profit and loss in the period in which they arise. In respect of assets and liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of balance sheet is charged to revenue.

1.4 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions (note 9)

b) Quantitative disclosures of fair value measurement hierarchy (note 10)

1.5 Revenue from contracts with customers :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 “Revenue from contract with customers”.

a) Sale of Goods :

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The control of the goods manufactured in case of export sales is transferred usually on the date of issue of Bill of Lading while in case of domestic sales, the control is transferred usually on delivery of goods.

In case of bill and hold arrangements, revenue is recognized when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognized.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

b) Sale of Services :

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

c) Contract assets :

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

d) Trade receivables :

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.12.

e) Contract liabilities :

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) 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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Interest income :

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

1.6 Government grants :

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

1.7 Taxes :

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized 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. Management periodically evaluated the positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced 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 can be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax assets 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 the tax rates (and the tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 tax assets and deferred taxes relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that future taxable profit will be available against which such deferred tax assets can be realized.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Indirect taxes paid, except:

i When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

1.8 Property, plant and equipment :

Property, plant and equipment, capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any. Internally manufactured property, plant and equipment are capitalised at factory cost, including GST for which credit is not available. All the significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Losses arising from the retirement of, and gains and losses arising from disposal of property plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its used or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and the methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.9 Intangible assets :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the

amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

1.10 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

1.11 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past

event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.12 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

i Financial assets at amortised cost

ii Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)

iii Financial assets, equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

c) Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and

loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

d) Financial assets at FVTOCI

A 'Financial asset' is classified at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into

a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Lease receivables under Ind AS 116

iii Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iv Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has

not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Embedded derivatives :

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

D Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

1.13 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity

of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

1.14 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.15 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

1.16 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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 are adjusted for the effects of all dilutive potential equity shares.

1.17 Cash flow statement :

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.

2 CASH AND BANK BALANCES :

(In EURO)

	As at 31st March, 2026
Cash and cash equivalents	
Balances with banks	
In current accounts	3,000
TOTAL :	**3,000**

3 EQUITY SHARE CAPITAL :

(In EURO)

	As at 31st March, 2026
Authorised	
3,000 Equity shares of EURO 1/- each	3,000
Issued, Subscribed and fully paid-up	
3,000 Equity shares of EURO 1/- each	3,000
TOTAL :	**3,000**

(a) Reconciliation of the shares outstanding at the end of the reporting period

Equity Shares	As at 31st March, 2026	
	Nos.	Amount in EURO
Shares issued during the period	3,000	3,000
Outstanding at the end of the period	3,000	3,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares, having par value of EURO 1/- per share. Every equity shareholder is entitled to one vote per share on a show of hands. On a poll, voting rights are determined in proportion to the shareholder's shareholding in the paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Name of Shareholder	As at 31st March, 2026	
	Nos.	Amount in EURO
Equity shares of EURO 1 each, fully paid		
Kalyani Strategic Systems Limited#	2,700	2,700

Including shares held with joint holders

(d) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2026	
	Nos.	% of Holding
Equity shares of EURO 1 each, fully paid		
Kalyani Strategic Systems Limited	2,700	90%
DUMA Engineering Group S.L.	300	10%
	3,000	100%

4 OTHER EQUITY :

(In EURO)

	As at 31st March, 2026
Retained earnings	
Loss for the year	(511.00)
Other comprehensive income for the year	-
Closing balance	(511.00)

5 OTHER CURRENT LIABILITIES :

(In EURO)

	As at 31st March, 2026
Other Payables*	511
TOTAL :	511

*Refer Note No.12 for Related party disclosures

6 OTHER EXPENSES :

(In EURO)

	Period ended 31st March, 2026
Legal and Professional fees	311
Rates and Taxes	200
TOTAL :	511

7 SEGMENT INFORMATION :

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the process of setting up of the business; In the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 1. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

8 RELATED PARTY DISCLOSURES :

(i) Names of the related parties and related party relationship

a) Holding Company	Kalyani Strategic Systems Limited
b) Enterprises having significant influence over the Company	DUMA Engineering S. L.
c) Key management personnel	Mr. Neelesh Tungar, Director Mr. Vikram Munje, Director Mr. David Olivier Bailly

(ii) Related parties with whom transactions have taken place during the period (In EURO)

Sr. No.	Nature of transaction	Note Ref.	Period ended 31st March, 2026
	Kalyani Strategic Systems Limited : Holding Company		
1	Issue of equity shares		**2,700**
2	Reimbursement of expenses Paid	(a)	**-**
	DUMA Engineering S. L. : Enterprises having significant influence over the Company		
1	Issue of equity shares		**300**
2	Reimbursement of expenses Paid		**511**

(iii) Balances outstanding (In EURO)

Sr. No.	Nature of Transaction	As at 31st March, 2026
	DUMA Engineering S. L. : Enterprises having significant influence over the Company	
1	Other payables	**511**

(iv) Terms and conditions of transactions with related parties

(a) Reimbursement of costs paid to related parties are at cost.

9 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assess impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon acertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availabliity of adquate taxable income within the time permissible as per the taxing legislations.

10 FAIR VALUE HIERARCHY :

There are no financial instruments that are measured subsequent to initial recognition at fair value. Hence, disclosure of the fair value hierarchy of assets and liabilities measured at fair value is not applicable.

11 FINANCIAL RISK MANAGEMENT DISCLOSURE :

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include other receivables, cash and cash equivalents.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's management oversees the management of these risks. The management of the Company ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates as the Company does not have any assets or liabilities denominated in foreign currency.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Since, there are no short-term investments or short-term borrowing, the Company is not expose to significant interest rate risk.

iii) Other price risks

The Company has a policy of investing its surplus funds in mutual funds, interest bearing term deposits and other highly marketable debt investments. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors. However, the Company has not invested any surplus funds during the year.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and other receivables.

i) Other receivables, deposits with banks and other financial instruments

Credit risk from balances with banks is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with reputed banks where the counterparty risk is minimum.The Company's maximum exposure to credit risk for the components of the Balance Sheet at year end is the carrying amounts as illustrated in the respective notes.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company's approach to managing liquidity is to ensure, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in mutual funds, interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

On behalf of the Board of Directors of,
AEGIS ADVANCED SYSTEMS, S.L.

Neelesh Tungar
Director

Sunil Kulkarni
Secretary

Place : Pune
Date: 5th May, 2026

Bharat Forge Aluminum USA, Inc.

Registered Office
160, Mine lake, Court, Suite 200, Raleigh, NC 27615, U.S.A.

Balance Sheet

as at March 31, 2026

Amount in thousands of USD

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
I. Non current assets			
(a) Property, Plant and Equipment	3	208,083.72	135,559.39
(b) Capital work-in-progress	3	6,292.18	71,603.08
(c) Other intangible assets	4	98.97	88.49
(d) Right-of-use asset	5	122.88	283.53
(e) Financial assets			
(i) Other financial assets	6	2.20	2.20
(f) Other non-current assets	7	1,400.94	2,183.32
		216,000.89	**209,720.01**
II. Current assets			
(a) Inventories	8	24,469.49	20,746.74
(b) Financial assets			
(i) Trade receivables	9	19,386.34	12,223.82
(ii) Cash and cash equivalents	10	4,261.62	1,837.66
(iii) Other financial assets	6	1,251.72	308.72
(c) Other current assets	7	2,676.98	5,865.69
		52,046.15	**40,982.63**
Total assets		**268,047.04**	**250,702.63**

Balance Sheet

as at March 31, 2026

Amount in thousands of USD

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Equity and Liabilities			
Equity			
(a) Equity Share capital	11	0.10	0.10
(b) Other Equity	12	66,159.83	76,944.58
Equity attributable to owners of the company		**66,159.93**	**76,944.68**
Liabilities			
I. Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	65,000.00	64,755.17
(ii) Lease liabilities	14	24.77	127.28
Total non-current liabilities		**65,024.77**	**64,882.45**
II. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	106,424.60	83,669.79
(ii) Lease liabilities	14	23.01	161.32
(iii) Trade payables	15	29,621.80	16,334.63
(iv) Other current financial liabilities	14	620.12	994.63
(b) Other current liabilities	16	172.81	7,715.13
Total current liabilities		**136,862.34**	**108,875.50**
Total liabilities		**201,887.11**	**173,757.94**
Total Equity and liabilities		**268,047.04**	**250,702.63**
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Aluminum USA, Inc.

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Statement of Profit and Loss

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	17	113,659.43	65,374.01
Other income	18	83.96	3,033.45
Total income		**113,743.39**	**68,407.46**
Expenses			
Cost of raw materials and components consumed	19	73,169.29	51,274.86
(Increase) in inventories FG and WIP	20	(1,525.79)	(10,836.70)
Employee benefits expense	21	14,597.74	14,476.27
Depreciation and amortisation	22	12,250.61	9,701.81
Finance costs	23	5,987.67	5,711.60
Other expenses	24	20,048.62	17,289.10
Total expenses		**124,528.14**	**87,616.34**
(Loss) before tax		**(10,784.75)**	**(19,208.88)**
Tax expenses			
(a) Current tax		-	-
(b) Deferred tax		-	-
(Loss) after tax		**(10,784.75)**	**(19,208.88)**
Other comprehensive Income			
(i) Items that will not be reclassified to profit or loss		**-**	**-**
(ii) Income tax income relating to items that will be reclassified to profit or loss		**-**	**-**
Other comprehensive Income		-	-
Total comprehensive (loss) for the period, net of tax		**(10,784.75)**	**(19,208.88)**
Earnings per Equity share			
(a) Basic (Amount in USD)		(1,078.48)	(1,920.89)
(b) Diluted (Amount in USD)		(1,078.48)	(1,920.89)
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Aluminum USA, Inc.

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Cash Flow Statement

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Operating activities		
(Loss) before tax	(10,784.75)	(19,208.88)
Adjustments for:		
Depreciation and amortization	12,250.61	9,701.81
Finance cost	5,987.67	5,711.60
Provision for doubtful debts and advances	56.64	83.36
Loss on sale of propery, plant and equipments	-	156.70
Bad debts / advances written off	460.31	-
Unamortized portion of processing fees of loans	-	7.67
Operating Profit / (loss) before working capital changes	**7,970.48**	**(3,547.74)**
Working capital adjustments :		
Change in trade receivables	(7,679.48)	(1,607.18)
Change in inventories	(3,722.76)	(12,337.79)
Change in other financial assets	(943.00)	(506.76)
Change in trade payables	13,287.17	1,259.49
Change in other assets	3,188.71	(2,522.76)
Change in other liabilities	(7,542.32)	(6,175.80)
Cash flow / (used in) from operations	**4,558.80**	**(25,438.54)**
Less : Taxes (paid)/refund (net)	-	-
Net cash flow / (used in) from operating activities (I)	**4,558.80**	**(25,438.54)**
Investing activities:		
Purchase of fixed assets (property, plant and equipment, capital work-in-progress) and capital advances	(14,480.77)	(48,201.47)
Proceeds from sale of property, plant and equipment and intangible assets	-	197.97
Net cash (used) in investing activities (II)	**(14,480.77)**	**(48,003.50)**

Cash Flow Statement

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Financing activities:		
Proceeds from borrowing	24,200.00	116,500.00
Repayment of borrowing	(4,000.00)	(120,132.78)
Proceeds from investments from Parent	-	70,000.00
Interest on lease liability	(6.06)	(11.22)
Payment of principal portion of lease liabilities	(231.81)	(244.37)
Interest paid on borrowing and other liabilities	(7,616.20)	(2,227.92)
Net cash flow financing activities (III)	**12,345.93**	**63,883.71**
Net change in Cash & cash equivalents (I + II + III)	**2,423.96**	**(9,558.33)**
Cash and cash equivalents at the beginning of the year	1,837.66	11,395.99
Cash and cash equivalents at the end of the year	4,261.62	1,837.66

Cash and cash equivalents for the purpose of cash flow statement

Particulars	As at 31-Mar-26	As at 31-Mar-25
Balances with banks:		
- In current accounts	4,261.62	1,837.66
Total	**4,261.62**	**1,837.66**

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Aluminum USA, Inc.

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in thousands of USD)

a. Equity share capital

Particulars	Amount
Balance As at April 1, 2024	0.10
Changes in equity share capital during the year	-
Balance as at March 31, 2025	**0.10**
Balance as at April 1, 2025	0.10
Changes in equity share capital during the year	-
Balance as at March 31, 2026	**0.10**

b. Other Equity

Particulars	Additional Paid in Capital	Reserves and Surplus	Total
		Retained Earnings	
Balance as at April 1, 2024	73,875.83	(59,722.37)	**14,153.46**
Additional paid in capital	70,000.00	-	**70,000.00**
Conversion of loan to equity	12,000.00	-	**12,000.00**
(loss) for the year ended March 31, 2025	-	(19,208.88)	**(19,208.88)**
Other comprehensive income for the year ended March 31, 2025	-	-	-
Balance as at March 31, 2025	**155,875.83**	**(78,931.25)**	**76,944.58**
(loss) for the year ended March 31, 2026	-	(10,784.75)	**(10,784.75)**
Other comprehensive income for the year ended March 31, 2026	-	-	-
Balance as at March 31, 2026	**155,875.83**	**(89,716.00)**	**66,159.83**

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Aluminum USA, Inc.

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Notes Forming Part of the Financial Statements

as at and for the year ended on March 31, 2026

1 Company Overview

Bharat Forge Aluminum USA, Inc. ("BFALU" or the "Company") was incorporated in the State of North Carolina on September 27, 2019. The Company is a wholly owned subsidiary of Bharat Forge America Inc. ("BFA" or the "Parent Company"), which in turn is 100% owned by Bharat Forge Limited ("BFL" or the "Ultimate Parent Company"), a publicly listed Company in India.

The Company has established a greenfield manufacturing facility in Sanford, North Carolina, to meet the aluminum forging requirements of global Original Equipment Manufacturers ("OEMs"). BFALU designs, manufactures, and supplies aluminum and steel automotive components, supporting BFL's strategic expansion in the global Electric Vehicle ("EV") market.

2 Material Accounting Policies

2.1 Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements have been prepared on a historical cost basis.

These financial statements are presented in US Dollar ("USD") which is also the Company's functional currency. All values are rounded to the nearest thousands (USD 000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

These financial statements have been prepared by the Company solely for the purpose of placing the audited financial statements of the company along with the consolidated financial statements of Bharat Forge Limited ("the ultimate holding company") on the website of the holding company as required under Section 136 of the 2013 Act. As the company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosures requirements of the Act. These accounts are not statutory financial statements of the Company.

2.2 Summary of material accounting policies

a) Current / Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2.3 Use of Estimates:

The preparation of financial statements are in conformity with accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include but are not limited to, allowance on obsolesce of inventories, allowance for expected credit loss, determination of useful lives for property plant and equipments and intangible assets, discounting rate for leases. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.4 Revenue recognition

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company's products or services. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing contracts, non-cash consideration, and consideration payable to the customer, if any.

The Company's revenue represents sales of finished goods with shipping terms ex-factory/ex-works wherein the goods are made available at Company's factory location to be picked up by the customers. The performance obligation is met at the time of goods being made available for pick up by customers.

2.5 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price.

2.6 Inventories

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods is determined on a weighted average basis.

Scrap is valued at net realisable value.

Dies are valued at cost or net realisable value. The cost includes direct material, labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of dies is determined on a weighted average basis.

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. The comparison of cost and net realizable value is made on an item-by-item basis.

2.7 Property, plant, and equipment and depreciation

Property, plant, and equipment are stated at cost less accumulated depreciation. The cost of items of property, plant, and equipment comprise the cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The cost of maintenance and repairs are charged to expense when incurred.

The Company depreciates property, plant, and equipment over the estimated useful life using the straight-line method, including finance lease assets which are depreciated over the terms of their respective leases. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts, and the resulting gain or loss is credited or charged to the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The estimated useful life used to determine depreciation is:

Buildings	30-50 years
Machinery and equipments	1-20 years
Tooling and spares	3-10 years
Furniture and fixtures	5 years
Office equipments	3-5 years
Motor vehicle	3 years

The cost of property, plant, and equipment not ready for use before such date are disclosed under capital work in-progress.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value

of another asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The estimated useful life used to determine amortisation is:

Software	3 years

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Income Tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Foreign currency transactions

The functional currency of the company is US Dollar (USD).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit and loss.

2.12 Provision and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits

will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

2.13 Employee benefit plans

Contributions to the defined contribution plans are recognised as an expense when employees have rendered services entitling them to such benefits.

2.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

I. Non derivative financial instruments :

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.15 Impairment of assets

I. Non financial assets

Intangible assets and property, plant and equipments

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs. Impairment , if any, is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. Subsequently if there is a change in the estimates used to determine the recoverable amount, the impairment loss is reversed. Such reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined on the date of reversal, if no impairment loss had been recognized. Such impairment and any subsequent reversal is recognized under in the statement of profit and loss.

II. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

2.16 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.17 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including non-current liabilities subject to covenants. Specifically, regarding the classification of a liability as current, the amendment eliminates the previous requirement that the right to defer settlement must exist for at least 12 months after the reporting date.

Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Company has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognize supplier finance arrangements as a potential source of liquidity risk concentration. The Company has conducted a review of these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(All amounts in thousands of USD)

Particulars	Buildings	Plant and machinery	Office equipments	Furniture and fixtures	Vehicles	Grand Total	Capital work-in-progress
As at April 1, 2024	**24,641.18**	**88,218.04**	**155.32**	**281.81**	**-**	**113,296.35**	**70,314.18**
Additions	35,933.09	8,664.09	-	67.37	14.00	**44,678.55**	27,646.29
Disposals/capitalised	-	(197.97)	-	-	-	**(197.97)**	(32,106.68)
Other adjustments							
- Borrowing cost (Refer note a)	-	-	-	-	-	-	5,749.29
As at March 31, 2025	**60,574.27**	**96,684.16**	**155.32**	**349.18**	**14.00**	**157,776.93**	**71,603.08**
Additions	3,929.71	79,969.02	496.49	96.49	-	**84,490.93**	12,196.41
Disposals	-	-	-	-	-	-	(81,895.83)
Other adjustments							
- Borrowing cost (Refer note a)	-	-	-	-	-	-	4,388.52
As at March 31, 2026	**64,503.98**	**176,653.18**	**651.81**	**445.67**	**14.00**	**242,267.86**	**6,292.18**
Depreciation							
As at April 1, 2024	**1,478.38**	**11,450.50**	**88.40**	**90.82**	**-**	**13,108.10**	
Charge for the year	947.90	8,092.09	46.84	63.12	0.77	**9,150.72**	
Disposals	-	(41.28)	-	-	-	**(41.28)**	
As at March 31, 2025	**2,426.28**	**19,501.31**	**135.24**	**153.94**	**0.77**	**22,217.54**	
Charge for the year	2,109.63	9,766.11	16.31	70.66	4.67	**11,967.38**	
Disposals	-	-	-	-	-	-	
As at March 31, 2026	**4,535.91**	**29,267.42**	**151.55**	**224.60**	**5.44**	**34,184.14**	
Net block							
As at March 31, 2025	**58,147.99**	**77,182.85**	**20.08**	**195.24**	**13.23**	**135,559.39**	
As at March 31, 2026	**59,968.07**	**147,385.76**	**500.26**	**221.07**	**8.56**	**208,083.72**	

(a) Capitalised borrowing cost

The Company capitalised borrowing costs in capital work-in-progress (CWIP) first. The amount of borrowing cost capitalised during the year ended March 31, 2026 was USD 4,388.52 thousands (March 31, 2025 : USD 5,749.29 thousands).

Capital work in progress ageing schedule

31 March 2026	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1,315.51	602.11	924.80	3,449.76	**6,292.18**
Projects temporarily suspended	-	-	-	-	-
Total	**1,315.51**	**602.11**	**924.80**	**3,449.76**	**6,292.18**

31 March 2025	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	6,141.35	62,011.97	3,449.76	-	**71,603.08**
Projects temporarily suspended	-	-	-	-	-
Total	**6,141.35**	**62,011.97**	**3,449.76**	-	**71,603.08**

NOTE 4 - INTANGIBLE ASSETS

(All amounts in thousands of USD)

Particulars	Software	Grand Total
As at April 1, 2024	**560.41**	**560.41**
Additions	88.67	**88.67**
Disposals	-	-
As at March 31, 2025	**649.08**	**649.08**
Additions	97.09	**97.09**
Disposals	-	-
As at March 31, 2026	**746.17**	**746.17**
Depreciation		
As at April 1, 2024	**355.02**	**355.02**
Charge for the year	205.57	**205.57**
Disposals	-	-
As at March 31, 2025	**560.59**	**560.59**
Charge for the year	86.61	**86.61**
Disposals	-	-
As at March 31, 2026	**647.20**	**647.20**
Net block		
As at March 31, 2025	**88.49**	**88.49**
As at March 31, 2026	**98.97**	**98.97**

NOTE 5 : RIGHT OF USE ASSET

Particulars	Forklift	Grand Total
As at April 1, 2024	**407.33**	**407.33**
Additions	221.72	**221.72**
Disposals	-	-
Depreciation	(345.52)	**(345.52)**
As at March 31, 2025	**283.53**	**283.53**
Additions	35.97	**35.97**
Disposals	-	-
Depreciation	(196.62)	**(196.62)**
As at March 31, 2026	**122.88**	**122.88**

(All amounts in thousands of USD)

NOTE 6 - OTHER FINANCIAL ASSETS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Non-current		
Security deposits	2.20	2.20
Total	**2.20**	**2.20**
Current		
Other receivables*	1,251.72	308.72
Total	**1,251.72**	**308.72**

* Other receivable pertains to insurance receivable

NOTE 7 - OTHER ASSETS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Non-current		
Capital advances	1,400.94	2,183.32
Total	**1,400.94**	**2,183.32**
Current		
Balances with government authorities*	2,602.84	-
Other advances	74.14	5,865.69
Total	**2,676.98**	**5,865.69**

*On 20 February 2026, the U.S. Supreme Court ruled that the International Emergency Economic Powers Act (IEEPA) does not permit "reciprocal" tariffs, and the tariffs were struck down. Following this ruling, on 20 April 2026, U.S. Customs and Border Protection (CBP) introduced a refund process through the ACE/CAPE system, allowing importers and customs brokers to submit claims and receive tariff refunds. Based on the ruling and management's assessment of recoverability, the Company has recognized a tariff refund receivable of USD 2,602.84 thousands.

NOTE 8 - INVENTORIES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Raw materials and components*	2,752.97	1,492.11
Work-in-progress	11,199.12	7,439.70
Finished goods	3,789.30	6,022.93
aStores, spares and loose tools	6,728.10	5,792.00
Total	**24,469.49**	**20,746.74**

* Includes goods in transit March 31, 2026 : USD 825.23 thousands [March 31, 2025 : USD 1,019.48 thousands]

(All amounts in thousands of USD)

NOTE 9 - TRADE RECEIVABLES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Trade receivables		
- Considered good – Unsecured	20,041.78	12,822.62
Less: Allowance for expected credit loss	(655.44)	(598.80)
Total	**19,386.34**	**12,223.82**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivable ageing schedule

As at March 31, 2026

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues receivables							
(a) Considered good	18,962.78	315.22	238.81	524.97	-	-	**20,041.78**
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Total	**18,962.78**	**315.22**	**238.81**	**524.97**	-	-	**20,041.78**
Loss Allowance							**(655.44)**
Total Trade receivables							**19,386.34**

As at March 31, 2025

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues receivables							
(a) Considered good	10,245.45	1,391.44	651.33	191.75	342.65	-	**12,822.62**
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Total	**10,245.45**	**1,391.44**	**651.33**	**191.75**	**342.65**	-	**12,822.62**
Loss Allowance							**(598.80)**
Total Trade receivables							**12,223.82**

NOTE 10 - CASH AND CASH EQUIVALENTS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Balances with banks:		
- In current accounts	4,261.62	1,837.66
Total	**4,261.62**	**1,837.66**

(All amounts in thousands of USD)

NOTE 11 - EQUITY SHARE CAPITAL :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Authorised share capital		
100 Equity shares of USD 10 each	1.00	1.00
Issued, subscribed and paid up		
10 Equity shares of USD 10 each	0.10	0.10

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-26	As at 31-Mar-25
Number of Equity shares At the commencement and at the end of the year	10	10

b) Shares held by Holding Company :

10 (31 March 2025 : 10) being 100% equity shares are held by Bharat Forge America, Inc.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-26		31-Mar-25	
	No of shares held	% of shareholding	No of shares held	% of shareholding
Bharat Forge America, Inc.	10	100%	10	100%

d) Details of shareholding of promotors

Particulars	31-Mar-26	31-Mar-25
Bharat Forge America, Inc	100%	100%

e) Information regarding issue of shares in the last five years

(i) The Company has not issued any shares without payment being received in cash.

(ii) The Company has not issued any bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

f) Terms / rights attached to equity shares

The company has only one class of issued equity shares having a par value of USD 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

(All amounts in thousands of USD)

NOTE 12 - OTHER EQUITY :

Particulars	31-Mar-26	31-Mar-25
Additional paid in capital		
At the commencement of the year	155,875.83	73,875.83
Additional paid in capital	-	70,000.00
Conversion of loan to equity	-	12,000.00
At the end of the year	**155,875.83**	**155,875.83**
Retained Earnings		
At the commencement of the year	(78,931.25)	(59,722.37)
Net (loss) for the year	(10,784.75)	(19,208.88)
At the end of the year	(89,716.00)	(78,931.25)

Additional paid in capital

Additional paid in capital represents capital contribution made by the holding company.

Retained Earnings

Retained Earnings represents the balance undistributed profit / (loss) of the company as on Balance sheet date.

NOTE 13 - BORROWINGS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Non-Current Borrowings		
- Term loan from Banks	65,000.00	64,755.17
	65,000.00	**64,755.17**
Current Borrowings		
Line of credit	35,000.00	15,000.00
Interest accrued but not due on borrowings	7,224.60	4,669.79
Intercorporate Loan (Refer note 25)	64,200.00	64,000.00
	106,424.60	**83,669.79**
Total	**171,424.60**	**148,424.96**

Repayment schedule of term loan

During the year 2024-25 Company has availed term loan of 35,000 thousands and 30,000 thousands from bank

Of this, 35,000 thousands carries an interest rate of 1.65% plus applicable SOFR and 30,000 thousands carries an interest rate of 1.55% plus SOFR

The future maturities of company's loan arrangement are as follows:

For the year ending	Amount
March 31, 2028	18,235.29
March 31, 2029	18,235.29
March 31, 2030	18,235.29
March 31, 2031	8,235.29
March 31, 2032	2,058.84
Total	65,000.00

(All amounts in thousands of USD)

The long-term debt are secured by the guarantee from Bharat Forge Limited, India (Ultimate Parent Company).

Line of credit

As of March 31, 2026, the Company had outstanding borrowings of USD 35,000 thousands (March 31, 2025: USD 15,000 thousands) under multiple line of credit agreements (the "Agreements") with banks. These borrowings are classified as short term as they are repayable within twelve months from the balance sheet date. The interest rates under the Agreements vary based on applicable SOFR.

NOTE 14 - FINANCIAL LIABILITIES:

Particulars	As at 31-Mar-26	As at 31-Mar-25
Non Current		
Lease liabilities	24.77	127.28
	24.77	**127.28**
Current		
Lease liabilities	23.01	161.32
Payables for capital goods	620.12	994.63
	643.13	**1,155.95**

NOTE 15 - TRADE PAYABLES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Trade Payables	29,621.80	16,334.63
Total	**29,621.80**	**16,334.63**

Trade payables ageing schedule

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - Trade Payables	4,996.09	10,187.13	14,165.44	273.14	-	-	**29,621.80**
Disputed - Trade Payables	-	-	-	-	-	-	-
Total	**4,996.09**	**10,187.13**	**14,165.44**	**273.14**	-	-	**29,621.80**

*Unbilled represents accrual for expenses

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - Trade Payables	2,832.57	9,017.77	4,261.02	223.27	-	-	**16,334.63**
Disputed - Trade Payables	-	-	-	-	-	-	-
Total	**2,832.57**	**9,017.77**	**4,261.02**	**223.27**	-	-	**16,334.63**

*Unbilled represents accrual for expenses

(All amounts in thousands of USD)

NOTE 16 - OTHER CURRENT LIABILITIES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Contract Liabilities (Advance from customers)*	-	6,590.80
Employee contributions and recoveries payable	-	797.22
Other**	172.81	327.11
Total	**172.81**	**7,715.13**

*The Company had entered into a "Pull Ahead Agreement" with one of its customers, who experienced a temporary shutdown of one of its operational factories. To support the Company's operating activities during this period, the customer provided a cash infusion. As per the terms of the agreement, the amount received will be offset against future receivables from the customer, thereby reducing the Company's net cash outflows. It has been fully adjusted in current year.

**Pertains to property tax payable.

NOTE 17 - REVENUE FROM OPERATIONS :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
Sale of goods	113,329.13	64,498.99
Tooling income	-	412.94
Total sale of products	**113,329.13**	**64,911.93**
Other operating revenue		
Manufacturing scrap	330.30	462.08
Total Revenue from operations	**113,659.43**	**65,374.01**

Reconciling the amount of revenue recognised in the statement of profit and loss with contracted price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of goods	113,329.13	64,498.99
Tooling income	-	412.94
Manufacturing scrap	330.30	462.08
Revenue as per contracted price	**113,659.43**	**65,374.01**

NOTE 18 - OTHER INCOME :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insurance claim	-	2,950.45
Miscellaneous Income*	83.96	83.00
Total	**83.96**	**3,033.45**

* Pertains to miscellaneous interest income and discount received

(All amounts in thousands of USD)

NOTE 19 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	1,492.11	989.71
Add: Purchases	74,430.15	51,777.26
Less: Inventories as at the end of the year	2,752.97	1,492.11
Cost of raw materials and components consumed	**73,169.29**	**51,274.86**

NOTE 20 - (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Work-in-progress	11,199.12	7,439.70
Finished Goods	3,789.30	6,022.93
	14,988.42	**13,462.63**
Inventories at the beginning of the year		
Work-in-progress	7,439.70	733.17
Finished Goods	6,022.93	1,892.76
	13,462.63	**2,625.93**
(Increase) in inventories of finished goods and work-in-progress	**(1,525.79)**	**(10,836.70)**

NOTE 21 - EMPLOYEE BENEFITS EXPENSE :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	13,851.66	14,290.84
Contributions to employee benefit funds*	222.91	175.82
Staff welfare expenses	523.17	9.61
Total	**14,597.74**	**14,476.27**

* The Company has an employee savings plan which qualifies under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the Internal Revenue Code.

NOTE 22 - DEPRECIATION AND AMORTISATION:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	11,967.38	9,150.72
Amortisation on intangible assets	86.61	205.57
Depreciation on right-of-use assets	196.62	345.52
Total	**12,250.61**	**9,701.81**

(All amounts in thousands of USD)

NOTE 23 - FINANCE COST :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	6.06	11.22
Interest on loans	5,554.80	4,937.37
Others*	426.81	763.01
Total	**5,987.67**	**5,711.60**

* Pertains to Bank charges and commitment charges.

NOTE 24- OTHER EXPENSES :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and tools	3,878.96	3,090.81
Power, fuel and water	603.54	-
Repairs and maintenance		
- Building repairs and road maintenance	12.61	7.79
Contract labour charges	6,183.45	-
Rent	602.99	590.28
Rates and taxes	1,107.21	1,647.95
Insurance	1,759.99	5,983.79
Legal and professional fees	745.02	2,044.45
Loss on sale/discard of property, plant and equipment (net)	-	156.70
Provision for doubtful debts and advances	56.64	83.36
Bad debts / advances written off	460.31	-
Exchange difference (net)	147.84	109.52
Payment to Auditors	26.09	360.60
Miscellaneous expenses*	4,463.97	3,213.85
Total	**20,048.62**	**17,289.10**

* Includes travel, communication, postage and other miscellaneous expense

NOTE 25 - RELATED PARTY DISCLOSURE

a) Name of the related party and nature of relationship:-

Ultimate Holding Company	Bharat Forge Limited
Holding Company	Bharat Forge America, Inc
Fellow subsidiaries	Bharat Forge PMT Technologie, LLC Bharat Forge Tennessee, Inc. Bharat Forge Global Holding GmbH Bharat Forge Aluminiumtechnik GmbH Bharat Forge CDP GmbhH Bharat Forge International Limited Bharat Forge Daun GmbH
Other related parties (enterprises owned or significantly influenced by Key Management Personnel or their relatives)	Kalyani Technoforge Limited Kalyani Cleantech Pvt Ltd Kalyani Mobility, Inc Hibiscus Investment & Finance Pvt Ltd
Key Management Personnel	A.B. Kalyani (Director) Ravindra Nagarkar (Director) S. E. Tandale (Director) B. P. Kalyani (Director) Kedar Dixit (Director) Vikram Munje (Director) Ganesh Chandan (Director)

(All amounts in thousands of USD)

b) Related party transactions

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
1	**Purchase of Goods/Services**	**Ultimate Holding Company**		
		Bharat Forge Limited	509.57	1,325.28
		Fellow subsidiaries		
		Bharat Forge Aluminiumtechnik GmbH	7,427.84	11,789.46
		Bharat Forge Daun GmbH	61.57	620.22
		Other related parties		
		Hibiscus Investment & Finance Pvt Ltd	911.03	1,116.20
		Kalyani Cleantech Pvt Ltd	-	1,140.30
		Others	0.36	-
2	**Guarantee Commission Expense**	**Ultimate Holding Company**		
		Bharat Forge Limited	532.50	638.72
3	**Reimbursement of expense received**	**Ultimate Holding Company**		
		Bharat Forge Limited	44.10	50.58
		Fellow subsidiary		
		Bharat Forge PMT Technologie, LLC	61.95	-
		Other related parties		
		Kalyani Technoforge Limited	285.52	278.36
		Kalyani Mobility, Inc.	-	55.25
4	**Reimbursement of expense paid**	**Fellow subsidiaries**		
		Bharat Forge Global Holding GmbH	80.09	89.22
		Bharat Forge Daun GmbH	61.57	-
		Others	-	4.12
5	**Intercorporate loan taken**	**Holding Company**		
		Bharat Forge America, Inc	1,200.00	31,500.00
		Fellow subsidiary		
		Bharat Forge International Limited	3,000.00	-

(All amounts in thousands of USD)

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
6	**Repayment of intercorporate loan taken**	**Holding Company**		
		Bharat Forge America, Inc	4,000.00	32,000.00
7	**Interest expense**	**Holding Company**		
		Bharat Forge America, Inc	3,790.81	4,891.51
		Fellow subsidiary		
		Bharat Forge International Limited	21.92	-
8	**Investment by holding company**	**Holding Company**		
		Bharat Forge America, Inc	-	70,000.00
9	**Intercorporate loan taken converted to Equity**	**Holding Company**		
		Bharat Forge America, Inc	-	12,000.00
10	**Guarantee received**	**Ultimate Holding Company**		
		Bharat Forge Limited	-	91,000.00
11	**Remuneration to KMP**	Ravindra Nagarkar	526.70	523.48

b) Related party Balance outstanding as at year end

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
1	**Trade Payable**	**Ultimate Holding Company**		
		Bharat Forge Limited	1,132.98	595.93
		Fellow subsidiaries		
		Bharat Forge Aluminiumtechnik GmbH	1,471.41	1,514.93
		Bharat Forge Daun GmbH	189.74	-
		Bharat Forge Global Holding GmbH	-	65.40
		Other related parties		
		Hibiscus Investment & Finance Pvt Ltd	31.81	126.32
		Others	0.36	1.01
2	**Other receivables**	**Other related parties**		
		Kalyani Technoforge Limited	77.26	45.08
		Kalyani Mobility Inc.	-	104.69
		Others	3.92	-

(All amounts in thousands of USD)

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
3	**Intercorporate Loan payable (including interest due thereon)**	**Holding Company**		
		Bharat Forge America, Inc	67,993.00	68,503.10
		Fellow subsidiary		
		Bharat Forge International Limited	3,021.92	-
4	**Guarantee Outstanding**	**Ultimate Holding Company**		
		Bharat Forge Limited	106,500.00	106,500.00
5	**Other Payable**	**Ultimate Holding Company**		
		Bharat Forge Limited	-	446.79
		Holding Company		
		Bharat Forge America, Inc	81.27	-

NOTE 26 - CONTINGENT LIABILITIES:

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the company not acknowledged as debts - to the extent ascertained*	960.00	-

* Pertains to ongoing dispute with customer for recovery of amount which has been deducted from company's receivable

NOTE 27 - CAPITAL COMMITMENT:

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	675.40	3,581.75

(All amounts in thousands of USD)

NOTE 28 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT:

A. Accouting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31 March 2026

Particular	Carrying value				Fair value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assests not measured at fair value*							
Trade receivables (Note 9)	-	-	19,386.34	**19,386.34**	-	-	-
Cash and cash equivalents (Note 10)	-	-	4,261.62	**4,261.62**	-	-	-
Other non current financial assets (Note 6)	-	-	2.20	**2.20**	-	-	-
Other current financial assets (Note 6)	-	-	1,251.72	**1,251.72**	-	-	-
Total financial assets	-	-	**24,901.88**	**24,901.88**	-	-	-
Financial liabilities not measured at fair value*							
Trade payables (Note 15)	-	-	29,621.80	**29,621.80**	-	-	-
Borrowings (Note 13)	-	-	171,424.60	**171,424.60**	-	-	-
Lease liabilities (Note 14)	-	-	47.78	**47.78**	-	-	-
Other current financial liabilities (Note 14)	-	-	620.12	**620.12**	-	-	-
Total financial liabilities	-	-	**201,714.30**	**201,714.30**	-	-	-

31 March 2025

Particular	Carrying value				Fair value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assests not measured at fair value*							
Trade receivables (Note 9)	-	-	12,223.82	**12,223.82**	-	-	-
Cash and cash equivalents (Note 10)	-	-	1,837.66	**1,837.66**	-	-	-
Other non current financial assets (Note 6)	-	-	2.20	**2.20**	-	-	-
Other current financial assets (Note 6)	-	-	308.72	**308.72**	-	-	-
Total financial assets	-	-	**14,372.40**	**14,372.40**	-	-	-
Financial liabilities not measured at fair value*							
Trade payables (Note 15)	-	-	16,334.63	**16,334.63**	-	-	-
Borrowings (Note 13)	-	-	148,424.96	**148,424.96**	-	-	-
Lease liabilities (Note 14)	-	-	288.60	**288.60**	-	-	-
Other current financial liabilities (Note 14)	-	-	994.63	**994.63**	-	-	-
Total financial liabilities	-	-	**166,042.82**	**166,042.82**	-	-	-

*Financial assets and liabilities includes trade receivables, cash and cash equivalents, other financial assets, lease liabilities, trade payables, borrowings and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

*There are no transfer between any levels during year ended 31 March 2026 and 31 March 2025.

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company does not have any financial instruments with significant unobservable inputs.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation results are reviewed by Directors.

C. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, credit risk, liquidity risk.

This note explains the sources of risk to which the Company is exposed to and how the entity manages those risks.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The entity has all transactions in functional currency where all assets and liabilities are denominated in functional currency. Therefore, there is no impact of foreign currency exchange rate fluctuation risk.

(b) Foreign Exchange Contracts

The Company is not exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments as company does not have Foreign exchange contracts.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally deposits money in banks with high credit ratings assigned by international and domestic credit rating agencies.

Credit Risk Exposure

The carrying amount of financial assets represents the minimum credit exposure.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses financial position at each reporting date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per 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.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

(All amounts in thousands of USD except per share data)

Particular	Carrying amount	Total	Less than 1 year	1 to 5 years	> 5 years
31 March 2026					
Trade Payables	29,621.80	**29,621.80**	29,621.80	-	-
Other financial liabilities	620.12	**620.12**	620.12	-	-
Borrowing	171,424.60	**171,424.60**	106,424.60	65,000.00	-
Lease liabilities	47.78	**47.78**	23.01	24.77	
	201,714.30	**201,714.30**	**136,689.53**	**65,024.77**	-
31 March 2025					
Trade Payables	16,334.63	**16,334.63**	16,334.63	-	-
Other financial liabilities	994.63	**994.63**	994.63	-	-
Borrowing	148,424.96	**148,424.96**	83,669.79	64,755.17	-
Lease liabilities	288.60	**288.60**	161.32	127.28	
	166,042.82	**166,042.82**	**101,160.37**	**64,882.45**	-

(All amounts in thousands of USD except per share data)

NOTE 29 - BASIC AND DILUTED EARNING PER SHARE:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Nominal value per equity share (USD)	10	10
(loss) after tax for the year	(10,784.75)	(19,208.88)
Profit attributable to equity shareholders	**(10,784.75)**	**(19,208.88)**
	No. of Shares	**No. of Shares**
Weighted average number of equity shares	10	10
Weighted average number of diluted equity shares	10	10
Earning Per Share- Basic	**(1,078.48)**	**(1,920.89)**
Earning Per Share- Diluted	**(1,078.48)**	**(1,920.89)**

NOTE 30 - SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. The Company's ultimate holding company, Bharat Forge Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment which is overall a part of the reorganized entity level business segments. Hence, there is only one reportable segment of the Company, as envisaged under Ind AS 108 "Operating segments"

NOTE 31 - INCOME TAX AND DEFERRED TAX

The Company is a member of a group that files a consolidated federal tax return as per regulations applicable to Chapter C corporations in the United States of America. Accordingly, no provision for federal income taxes has been made in the accompanying Separate Financial Statements.

As at the year ended on March 31, 2026 and March 31, 2025, the Company is having net deferred tax assets comprising of brought forward losses under tax laws. However in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has been recorded only to the extent of Deferred Tax Liabilities.

NOTE 32 - RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	% change	Note reference for reason for variance of more than 25%
(a) Current Ratio	Current Assets	Current Liabilities	0.38	0.38	0%	NA
(b) Debt-Equity Ratio	Total Debt	Shareholder's equity	2.59	1.93	34%	(1)
(c) Debt Service Coverage ratio	Earnings for debt service	Debt service	0.82	0.02	5036%	(2)
(d) Return on Equity ratio (%)	Net profit after taxes	Average shareholder's Equity	-15.07%	-42.17%	-64%	(3)
(e) Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.17	2.77	14%	NA
(f) Trade Receivable Turnover Ratio	Net Credit sales	Average Trade receivable	7.19	6.09	18%	NA
(g) Trade Payable Turnover Ratio	Net credit purchases	Average Trade payable	4.15	4.39	-5%	NA
(h) Net Capital Turnover Ratio	Net sales	Working capital	(1.34)	(0.96)	39%	(4)
(i) Net Profit ratio (%)	Net profit	Net sales	-9.49%	-29.38%	-68%	(5)
(j) Return on Capital Employed (%)	Earning before interest and taxes (EBIT)	Capital Employed	-2.02%	-5.99%	-66%	(6)
(k) Return on Investment (%)	Earning before interest and taxes (EBIT)	Average shareholder's Equity	-6.70%	-29.63%	-77%	(7)

Notes for movement in ratio

1. Variance is on account of increase in debt during the current year.
2. Variance is on account of principal repayment of loan during the previous year and decrease in loss during the current year.
3. Variance is on account of decrease in loss during the current year.
4. Variance is on account of increase in negative working capital during the current year.
5. Variance is on account of decrease in loss during the current year.
6. Variance is on account of decrease in loss during the current year.
7. Variance is on account of decrease in loss during the current year.

For and on behalf of the Board of Directors of
Bharat Forge Aluminum USA, Inc.

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Bharat Forge Aluminiumtechnik GmbH

Registered Office
Berthelsodorfer StraBe 8 '09618 Brand-Erbisdorf, Germany

Balance Sheet

as at December 31st, 2025

ASSETS			31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR	31/12/2024 EUR
A.	**Fixed assets**					
I.	**Intangible assets**					
	1.	Concessions, trade mark rights and similar rights and values, licenses	531,810.05		642,785.86	
	2.	Prepayments on intangible assets	6,150.00	537,960.05	6,150.00	648,935.86
II.	**Tangible assets**					
	1.	Land, land rights and buildings including buildings on third party land	29,091,550.54		28,807,005.30	
	2.	Technical equipment and machinery	34,998,108.84		39,383,269.56	
	3.	Other plant, factory and office equipment	6,517,272.41		7,508,134.62	
	4.	Prepayments on tangible assets and construction in progress	813,655.88	71,420,587.67	1,188,542.24	76,886,951.72
				71,958,547.72		77,535,887.58
B.	**Current assets**					
I.	**Inventories**					
	1.	Raw material, supplies and consumables	10,164,586.59		13,827,622.30	
	2.	Work in progress	15,673,491.87		15,058,433.06	
	3.	Finished goods and merchandise	5,921,491.46	31,759,569.92	1,850,367.90	30,736,423.26
II.	**Receivables and other assets**					
	1.	Trade receivables of which due after one year: EUR 0,00 (2024-12-31: EUR 0,00)	8,222,395.16		12,159,080.88	
	2.	Receivables from affiliated companies of which due after one year: EUR 0,00 (2024-12-31: EUR 0,00)	1,578,590.30		3,618,947.70	
	3.	Other assets of which due after one year: EUR 0,00 (2024-12-31: EUR 0,00)	566,651.70	10,367,637.16	1,315,050.90	17,093,079.48
III.	**Cash on hand, bank balances**			2,365,628.75		2,820,673.39
C.	**Prepaid expenses**			371,707.88		219,535.47
				116,823,091.43		**128,405,599.18**

Balance Sheet

as at December 31st, 2025

EQUITY AND LIABILITIES	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR	31/12/2024 EUR
A. Equity				
I. Share capital	8,300,000.00		8,300,000.00	
II. Capital reserve	9,539,123.30		9,539,123.30	
III. Revenue reserves	6,751,314.60		6,751,314.60	
IV. Net income for the year	0.00	24,590,437.90	0.00	24,590,437.90
B. Special Item for investment grants		4,168,240.63		4,746,952.29
C. Provisions and Accruals				
1. Provisions for pensions and similar obligations	9,390.00		9,597.00	
2. Other provisions and accruals	4,204,206.20	4,213,596.20	6,130,732.09	6,140,329.09
D. Liabilities				
1. Liabilities to banks	34,993,623.16		34,993,623.16	
of which up to one year: EUR 34.993.623,16 (2024-12-31: EUR 34.993.623,16)				
of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
2. Advanced payments received for orders	0.00		175,981.00	
of which up to one year: EUR 0,00 (2024-12-31: EUR 175.981,00)				
of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
3. Trade payables	5,668,598.00		6,160,146.25	
of which up to one year: EUR 5.668.598,00 (2024-12-31: EUR 6.160.146,25)				
of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
4. Payables to affiliated companies	23,020,805.92		31,667,108.99	
of which up to one year: EUR 7.570.805,92 (2024-12-31: EUR 16.767.108,99)				
of which more than one year: EUR 15.450.000,00 (2024-12-31: EUR 14.900.000,00)				
of which trade payables: EUR 4.683.897,69 (2024-12-31: EUR 6.913.145,46)				
of which to shareholder: EUR 2.886.908,23 (2024-12-31: EUR 1.853.963,53)				
5. Other liabilities	20,167,789.62		19,931,020.50	
of which taxes: EUR 221.813,81 (2024-12-31: EUR 223.294,91)				
of which relating to social security: EUR 0,00 (2024-12-31: EUR 11.096,95)				
of which up to one year: EUR 20.137.004,97 (2024-12-31: EUR 19.859.809,96)		83,850,816.70		92,927,879.90
of which more than one year: EUR 30.784,65 (2024-12-31: EUR 71.210,54)				
		116,823,091.43		**128,405,599.18**

Profit and Loss Account

for the period from January 1st to December 31st 2025

		2025		2024	
		EUR	EUR	EUR	EUR
1.	Sales		133,220,385.83		173,076,145.00
2.	Increase or decrease in finished goods and work in progress		4,686,182.37		(5,083,080.91)
			137,906,568.20		167,993,064.09
3.	Production for own plant and equipment capitalised		54,580.90		0.00
4.	Other operating income		1,681,214.81		5,618,811.05
	of which from currency translation: EUR 32.357,09 (2024: EUR 1.356.286,08)		139,642,363.91		173,611,875.14
5.	Cost of materials				
	a) Cost of raw materials, consumables, supplies and purchase merchandise	81,431,658.70		109,461,644.12	
	b) Cost of purchased services	12,755,231.34	94,186,890.04	11,158,628.31	120,620,272.43
6.	Personal expenses				
	a) Wages and salaries	23,099,277.48		24,305,109.13	
	b) Social security contributions and pension expenses	5,073,499.09		4,888,697.55	
	of which pension expenses: EUR 102.793,20 (2024: EUR 104.341,69)				
7.	Depreciation and amortization on intangible and tangible fixed assets	11,045,970.59		12,364,406.13	
8.	Other operating expenses	17,239,867.71	56,458,614.87	19,187,599.94	60,745,812.75
	of which from currency translation: EUR 514.371,22 (2024: EUR 1.281.980,85)		(11,003,141.00)		(7,754,210.04)
9.	Other interest and similar income	31.98		0.00	
10.	Interest and similar expenses	2,863,484.20	(2,863,452.22)	5,396,301.87	(5,396,301.87)
	of which from compounding of accruals: EUR 12.074,00 (2024: EUR 9.851,00)				
			(13,866,593.22)		(13,150,511.91)
11.	Taxes on income and profits		8.42		0.00
12.	Result after taxes on income and profits		(13,866,601.64)		(13,150,511.91)
13.	Other taxes		31,674.23		54,866.59
			(13,898,275.87)		(13,205,378.50)
14.	Income from loss transfer		13,898,275.87		13,205,378.50
15.	Net income		**0.00**		**0.00**

Notes on the Financial Statement

for the Period of January 1st to December 31st, 2025

A. GENERAL NOTES ON THE FINANCIAL STATEMENT AND STRUCTURE

Bharat Forge Aluminiumtechnik GmbH is based at Berthelsdorfer Straße 8, 09618 Brand-Erbisdorf, Germany. The company is registered in the Commercial Register of Chemnitz under registration number HRB 29755.

Bharat Forge Aluminiumtechnik GmbH is a large corporation within the meaning of section 267 para. 3 of the German Commercial Code (HGB).

The profit and loss statement is prepared unchanged using the total cost method in accordance with Section 275 para 2 of the German Commercial Code (HGB).

B. ACCOUNTING AND VALUATION METHODS

The annual financial statements for the financial year from 01.01 to 31.12.2025 were prepared in accordance with the regulations of the German Commercial Code (sections 242-256a and 264-288 HGB). Supplementary provisions of the German Act on Limited Liability Companies (GmbH-Gesetz) for annual financial statements were observed.

The structure follows the classification scheme prescribed for large corporations pursuant to Section 266 of the German Commercial Code (HGB).

The accounting and valuation methods have remained unchanged from the previous year. Given the support of group companies, the balance sheet is based on the assumption of a going concern despite the tense economic situation that can essentially lead to a developmental impairment.

Transactions in foreign currencies were posted at the respective day's exchange rate. Receivables and liabilities with a remaining term of no more than one year were valued at the average spot exchange rate on the balance sheet date in accordance with section 256a HGB.

Purchased intangible assets are valued at acquisition cost less scheduled straight-line amortisation.

Tangible assets are recognised at acquisition cost. Depreciable moveable assets are subjected to scheduled straight-line depreciation. Depreciation on additions are determined pro rata temporis.

The following useful lives are applied as the basis for the amortization of intangible assets and the depreciation of property, plant, and equipment.

		Useful life from	Useful life up to
		years	**years**
I.	**Intangible Assets**		
1.	Acquired concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	1	9
II.	**Tangible Assets**		
1.	Land, land rights and buildings including buildings on third-party land	5	33
2.	Technical equipment and machinery	3	20
3.	Other equipment, operating and office equipment	3	15

Low-value fixed assets with acquisition costs of up to EUR 250 within the meaning of section 6 para. 2 of the German Income Tax Act (EStG) are written off fully within the financial year. Low-value fixed assets with acquisition costs of over EUR 250 but no more than EUR 1,000 within the meaning of section 6 para. 2a EStG are compounded annually and depreciated with a useful life of 5 years.

Impairments are only carried out for intangible assets and fixed assets if this represents a permanent reduction in value.

Received or claimable investment grants are entered as liabilities in a special reserve for investment grants and written back in line with the subsidised assets' depreciation.

Inventories are assessed at acquisition and/or manufacturing costs by applying permissible simplified assessment methods and/or at their lower market value. The manufacturing costs include directly attributable costs as well as production and material overheads. Administrative costs are only included in the assessment of manufacturing costs insofar as caused by the manufacturing. General administration costs, selling costs and interest are not included in the manufacturing costs. Storage and marketability risks are accounted for by appropriate reductions.

Receivables and other assets are assessed at acquisition cost minus necessary value adjustments.

Prepaid expenses include general expenditure before the reporting date, provided they represent expenditure for a specific time after this date.

The equity capital (share capital, capital and revenue reserves) is carried at the nominal amount.

A pension promise has been made in the form of a contribution-based direct pledge. This pension promise is funded via a reinsurance policy not fully in line with the payments. Which is why the pension provisions have been determined as of the balance sheet date of 31.12.2025 in consideration of the reference tables 2018 G by Dr. Klaus Heubeck.

The calculation accorded with the requirements of section 249 HGB in conjunction with sections 252 to 255 HGB. Section 253 para 1, sentence 2 HGB requires pension provisions to equal the settlement amount necessary according to reasonable business judgment. The valuation is based on the projected unit credit method.

The calculation is based on the contractual retirement age and following valuation assumptions:

- an actuarial interest rate of 2.06 % p.a. as per section 253 para. 2 HGB and the German Regulation on the Discounting of Provisions (RückAbzinsV) for a blanket remaining term of 15 years
- a pension dynamic of 1.00 % p.a.
- fluctuation probabilities of 0.00 % p.a.

Given the bailment of the reinsurance, this is not available to all the other creditors, so that the pension provisions are set off against the asset value of the reinsurance in keeping with section 246 para. 2, sentence 2 HGB. The asset value of the reinsurance was valued at the amortised acquisition costs. These acquisition costs equal the coverage capital including irrevocable profit participations.

The provisions cover all recognisable obligations and risks, valued at the prospective settlement amount according to reasonable commercial appraisal. Anniversary payment provisions were valued by the entry age normal method (projected unit credit method) in consideration of the guideline tables 2018 G by Dr. Klaus Heubeck and an interest rate of 2.22 %. This took a fluctuation probability of 3% into account for the first 10 years of employment, and a blanket social insurance share of 20%.

Other provisions with a residual term of up to one year have not been discounted.

Liabilities are assessed at their repayment amounts.

C. NOTES ON THE BALANCE SHEET

The structure and development of the fixed assets are shown in the following assets analysis:

Assets Analysis

as at 31st December, 2025

	Historical acquisition or manufacturing costs					Accumulated depreciations				Book value	Book value
	2025-01-01	Additions	Disposals	Reclassification	2025-12-31	2025-01-01	Additions	Disposals	2025-12-31	2025-12-31	2024-12-31
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
1. Concessions, trade mark rights and similar rights and values, licenses	3,513,639.82	125,400.99	2,280.00	0.00	3,636,760.81	2,870,853.96	236,376.80	2,280.00	3,104,950.76	531,810.05	642,785.86
2. Prepayments on intangible assets	47,370.13	0.00	0.00	0.00	47,370.13	41,220.13	0.00	0.00	41,220.13	6,150.00	6,150.00
	3,561,009.95	**125,400.99**	**2,280.00**	**0.00**	**3,684,130.94**	**2,912,074.09**	**236,376.80**	**2,280.00**	**3,146,170.89**	**537,960.05**	**648,935.86**
II. Tangible assets											
1. Land, land rights and buildings including buildings on third party land	39,883,065.57	1,757,050.49	0.00	0.00	41,640,116.06	11,076,060.27	1,472,505.25	0.00	12,548,565.52	29,091,550.54	28,807,005.30
2. Technical equipment and machinery	114,219,011.05	1,805,997.50	1,632,027.29	807,160.06	115,200,141.32	74,835,741.49	6,996,937.54	1,630,646.55	80,202,032.48	34,998,108.84	39,383,269.56
3. Other plant, factory and office equipment	21,710,930.05	1,252,995.56	69,054.15	96,293.23	22,991,164.69	14,202,795.43	2,340,151.00	69,054.15	16,473,892.28	6,517,272.41	7,508,134.62
4. Prepayments on tangible assets and construction in progress	1,188,542.24	528,566.93	0.00	-903,453.29	813,655.88	0.00	0.00	0.00	0.00	813,655.88	1,188,542.24
	177,001,548.91	**5,344,610.48**	**1,701,081.44**	**0.00**	**180,645,077.95**	**100,114,597.19**	**10,809,593.79**	**1,699,700.70**	**109,224,490.28**	**71,420,587.67**	**76,886,951.72**
	180,562,558.86	**5,470,011.47**	**1,703,361.44**	**0.00**	**184,329,208.89**	**103,026,671.28**	**11,045,970.59**	**1,701,980.70**	**112,370,661.17**	**71,958,547.72**	**77,535,887.58**

The "other assets" show claims to electricity and energy tax refunds of TEUR 212 as contingent items that only arise legally after the reporting date.

The pension provisions of TEUR 73 have been set off against the TEUR 64 actuarial reserve of the reinsurance, arriving at provisions of TEUR 9 after asset offsetting.

The discounting of pension provisions at the average market interest rate of the past ten years compared to discounting at the average market interest rate of the past seven years results in a difference of TEUR 0.

The material other provisions and accruals include provisions for contingent liabilities (TEUR 1,323), outstanding invoices (TEUR 1,298), guarantees (TEUR 139), anniversary payments (TEUR 461) and holiday and flexitime claims (TEUR 497).

Reconciliation with the balance sheet shows the following maturity structure of the liabilities:

	with a remaining term of			
	up to 1 year	1-5 years	over 5 years	Total
	EUR	**EUR**	**EUR**	**EUR**
1. Liabilities to banks	34,993,623.16	0.00	0.00	34,993,623.16
2. Advance payments received for orders	0.00	0.00	0.00	0.00
3. Trade liabilities	5,668,598.00	0.00	0.00	5,668,598.00
4. Liabilities to affiliated companies	7,570,805.92	15,450,000.00	0.00	23,020,805.92
5. Other liabilities	20,137,004.97	30,784.65	0.00	20,167,789.62
	68,370,032.05	15,480,784.65	0.00	83,850,816.70

The trade liabilities are secured by reservations of title customary in the industry. For the liabilities to banks there is a blanket assignment of trade receivables and a storage assignment of inventories.

Besides this, there is also a subordination agreement with Bharat Forge Global Holding GmbH for receivables from the profit transfer agreement.

The item "Other liabilities" does not include contingent items which only legally arise after the reporting date.

Lease obligations not recognized on the balance sheet as liabilities amount to TEUR 2,153 as of the end of their respective terms. Of this amount, TEUR 938 relates to the following financial year and TEUR 10 to a remaining term of more than five years. The annual lease expense amounts to TEUR 418.

There are obligations of TEUR 716 from orders for investments.

D. NOTES ON THE PROFIT AND LOSS ACCOUNT

Product sales before sales deduction are divided into domestic and foreign as follows:

	2025	2024	Change	
	TEUR	**TEUR**	**TEUR**	**in %**
domestic	74,470	102,778	(27,880)	-27
foreign	58,750	70,299	(11,549)	-16

The TEUR 3 income from the reinsurance policy is offset against the expenses for the pension scheme within the interest expenditure.

Revenue includes an amount of TEUR 173 relating to prior periods.

Other operating income includes non-period income from the reversal of individual value adjustments (TEUR 222), and the reversal of provisions (TEUR 526).

The other operating expenses include expenses relating to other periods totalling TEUR 476. These mainly relate to recharged costs for sales support services (TEUR 375).

E. OTHER NOTES

The company employed 443 staff on average in the 2025 financial year, including 375 industrial employees, 68 salaried staff, and 16 trainees.

The managing directors in the 2025 financial year were:

- Dr. Jens Ludmann, CEO, Engelskirchen
- Thore Schwampe, CFO, Witten (until 11.03.2026)

The managing directors do not receive any remuneration from the company. The costs for the management are passed on by Bharat Forge Global Holding GmbH as part of a cost allocation.

Bharat Forge Global Holding GmbH, Ennepetal, is the parent company that draws up the consolidated financial statements for the smallest group of companies. If disclosed, the consolidated financial statements are available at the Company register.

Bharat Forge Ltd., Mundhwa/Pune, India is the parent company that draws up the consolidated financial statement for the largest group of companies. If disclosed, the consolidated financial statements are available at the "Registrar of Companies" in Maharashtra, Pune, India.

The company's advisory board is made up of the following members:

- Subodh E. Tandale
- Basavraj P. Kalyani
- Kedar Dixit

Brand-Erbisdorf, 27th March, 2026

Bharat Forge Aluminiumtechnik GmbH

Dr. Jens Ludmann
Managing Director

Independent Auditor's Report

To Bharat Forge Aluminiumtechnik GmbH, Brand-Erbisdorf

Audit Opinions

We have audited the annual financial statements of Bharat Forge Alumini-umtechnik GmbH, Brand-Erbisdorf, which comprise the balance sheet as at December 31, 2025 and the income statement for the fiscal year from January 1st, 2025 to December 31st 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Bharat Forge Aluminiumtechnik GmbH, Brand-Erbisdorf, for the financial year from January 1st, 2025 to December 31st, 2025.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31st, 2025 and of its financial performance for the financial year from January 1st, 2025 to December 31st, 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statement and the management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of asses) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered

necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with§ 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material mis-statement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive di-rectors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hagen, 30st March, 2026

WUP Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

(Losse)
Wirtschaftsprüfer
(German Public Auditor)

(Börstinghaus)
Wirtschaftsprüfer
(German Public Auditor)

Bharat Forge America Inc.

Registered Office
2150, Schmiede St, Surgoinville, TN 37873, U.S.A.

Balance Sheet

as at March 31, 2026

Amount in USD Thousands

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Assets				
Non-current assets				
(a) Financial assets				
(i) Investments in subsidiaries	3	201,689	211,689	114,689
Total non-current assets		**201,689**	**211,689**	**114,689**
Current assets				
(a) Inventories	5	312	65	77
(b) Financial assets				
(i) Trade receivables	7	673	789	1,382
(ii) Cash and cash equivalents	8	58	632	165
(iii) Loans	6	84,793	84,690	89,262
(iv) Others financial assets	4	243	-	-
(c) Other current assets	9	18	-	130
Total current assets		**86,097**	**86,176**	**91,016**
Total Assets		**287,786**	**297,865**	**205,705**
Equity and Liabilities				
Equity				
(a) Equity share capital	10	0	0	0
(b) Other equity	11	219,046	228,213	111,461
Total Equity		**219,046**	**228,213**	**111,461**
Non-current liabilities				
(a) Financial liabilities				
(i) Other payables	14	-	10	10
Total non-current liabilities		**-**	**10**	**10**
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	12	63,981	64,800	89,262
(ii) Trade payables	13	4,596	4,083	4,963
(b) Others current liabilities	15	163	759	9
Total current liabilities		**68,740**	**69,642**	**94,234**
Total Liabilities		**68,740**	**69,652**	**94,244**
Total equity and liabilities		**287,786**	**297,865**	**205,705**
Summary of material accounting policies.	2			

The accompanying notes form Integral part of Financial statements.

For and on behalf of the Board of Directors of
Bharat Forge America, Inc.

S. E. Tandale
Director

Pune, India
Date: 6th May, 2026

Ravindra Nagarkar
Director

Sanford, USA
Date: 6th May, 2026

Statement of Profit and Loss

for the year ended March 31, 2026

Amount in USD Thousands

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
(a) Revenue from operations	14	3,757	3,870
(b) Other income	15	4,679	5,788
Total income (I)		**8,436**	**9,658**
Expenses			
(a) Purchase of stock-in-trade	16	2,055	2,634
(b) Changes in inventories of stock-in-trade	17	(247)	12
(c) Employee benefits expense	18	870	534
(d) Finance costs	19	3,745	5,413
(e) Other expenses	20	1,180	813
Total expenses (II)		**7,603**	**9,406**
Profit before exceptional item and tax (I-II)		**833**	**252**
Exceptional Item		(10,000)	-
(Loss) / Profit before exceptional item and tax		**(9,167)**	**252**
Tax expenses:			
(a) Current tax		-	-
(b) Deferred tax		-	-
(Loss) / Profit for the year		**(9,167)**	**252**
Other comprehensive income		**-**	**-**
Total comprehensive (loss) / profit for the year		**(9,167)**	**252**
Earnings per equity share [Nominal value per share USD 0.01/- (March 31, 2025: USD 0.01/-)]			
(a) Basic (in USD)	21	(152,776)	4,207
(b) Diluted (in USD)	21	(152,776)	4,207
Summary of material accounting policies.	2		

The accompanying notes form integral part of financial statements.

For and on behalf of the Board of Directors of
Bharat Forge America, Inc.

S. E. Tandale
Director

Pune, India
Date: 6th May, 2026

Ravindra Nagarkar
Director

Sanford, USA
Date: 6th May, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

A. Equity Share Capital:

Equity shares of USD 0.01/- each issued, subscribed and fully paid

Particulars	Number of equity shares	Amount in USD Thousands
Balance as at April 1, 2024	60	0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	**60**	**0**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	**60**	**0**

B. Other Equity

			Amount in USD Thousands
		Reserves and Surplus	
Particulars	Additional paid in Capital	Retained Earnings	Total
Balance as at April 1, 2024	115,385	(3,924)	**111,461**
Additional paid in capital	104,500	-	**104,500**
Conversion of loan to equity	12,000	-	**12,000**
Profit for the year ended March 31, 2025	-	252	**252**
Other Comprehensive income for the year ended March 31, 2025	-	-	**-**
Balance as at March 31, 2025	**231,885**	**(3,672)**	**228,213**
Profit for the year ended March 31, 2026	**-**	**(9,167)**	**(9,167)**
Other Comprehensive income for the year ended March 31, 2026	-	-	**-**
Balance as at March 31, 2026	**231,885**	**(12,839)**	**219,046**

The accompanying notes form integral part of financial statements.

For and on behalf of the Board of Directors of
Bharat Forge America, Inc.

S. E. Tandale
Director

Pune, India
Date: 6th May, 2026

Ravindra Nagarkar
Director

Sanford, USA
Date: 6th May, 2026

Cash Flow Statement

for the year ended March 31, 2026

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Operating actvities		
(Loss) / Profit after exceptional item and before tax	(9,167)	252
Adjustment to reconcile profit before tax to net cash flows		
Interest expense	3,745	5,413
Interest income	(4,679)	(5,788)
Provision for impairment in subsidiary	10,000	-
Operating Profit before working capital changes	**(101)**	**(123)**
Adjustments for changes in working capital:		
Increase / (Decrease) in trade payable	513	(880)
Decrease in trade receivables	116	593
(Increase) / Decrease in inventories	(247)	12
(Increase) in other financial assets	(243)	-
(Increase) / Decrease in other assets	(18)	130
(Decrease) / Increase in other payables	(10)	0
(Decrease) / Increase in other current liability	(596)	750
Cash (used in) / generated from operations	**(586)**	**482**
Direct taxes paid	-	-
Net cash flows (used in) / generated from operating activities (A)	**(586)**	**482**
Investing activities		
Interest received	2,975	1,861
Repayment of loan by / (loan given to) subsidiaries (Net)	1,600	(3,500)
Investment in subsidiaries	-	(85,000)
Net cash flows generated from / (used in) investing activities (B)	**4,575**	**(86,639)**
Financing activities		
Proceeds from capital contribution by Holding Company	-	104,500
Repayment of borrowing (net)	(1,600)	(16,000)
Interest paid	(2,963)	(1,876)
Net cash flows (used in) / generated from financing activities (C)	**(4,563)**	**86,624**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(574)**	**467**
Cash & cash equivalents at the beginning of the year	632	165
Cash & cash equivalents at the end of the period (refer to Note 8)	58	632

The accompanying notes form integral part of financial statements.

For and on behalf of the Board of Directors of
Bharat Forge America, Inc.

S. E. Tandale
Director

Pune, India
Date: 6th May, 2026

Ravindra Nagarkar
Director

Sanford, USA
Date: 6th May, 2026

Notes Forming Part of the Financial Statements

as at and for the year ended on March 31, 2026

1. CORPORATE INFORMATION

Bharat Forge America, Inc. ("BFA" or the "Company"), incorporated on March 22, 2005, in the State of Delaware, is a wholly owned subsidiary of Bharat Forge Limited ("BFL" or "the Parent"), a Public Company, listed on the Indian stock exchanges. On November 30, 2016, the Company acquired 100 percent shares of Bharat Forge Tennessee Inc. ("BFT") (formerly known as PMT Holdings, Inc.) and 82.10 percent of the membership interest of Bharat Forge PMT Technologie, LLC ("PMT") (formerly known as "Walker Forge Tennessee, LLC"). The Company also has a wholly owned subsidiary, namely Bharat Forge Aluminum USA, Inc. ("BFALU"), which was incorporated on September 27, 2019.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis.

These financial statements are presented in US Dollar ("USD") which is also the Company's functional currency. All values are rounded to the nearest thousands (USD 000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

These financial statements have been prepared by the Company solely for the purpose of placing the audited financial statements of the company along with the consolidated financial statements of Bharat Forge Limited ("the holding company") on the website of the holding company as required under Section 136 of the 2013 Act. As the company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosures requirements of the Act. These accounts are not statutory financial statements of the Company.

2.2 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Investment in subsidiaries

The Company has accounted for its investment in subsidiaries at cost less accumulated impairment [Refer note 2.2(h)].

c. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- financial instruments (including those carried at amortized cost) (note 26)

d. Revenue from operations

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of services

Revenues from the sale of marketing services are recognized pro-rata over the period of the contract as and when services are rendered.

Scrap Sales

Revenue from scrap sales with scrap dealers is recognized when control of the scrap are transferred to the dealer at an agreed amount as per scrap agreements.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that

do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in Note 2.2: Financial instruments – initial recognition and subsequent measurement.

e. Other Income

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax

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 liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 reduced 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 relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). 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.

g. Inventories

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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. The comparison of cost and net realizable value is made on an item-by-item basis.

h. Impairment of non-financial assets

The Company assesses, at each reporting date, 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) fair value less costs of disposal 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. When 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.

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. Other key assumptions include growth rate, weighted average cost of capital, terminal growth rate and changes in working capital. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the statement of profit and loss

For the assets, an assessment is made at each reporting date to determine whether there is an indication that the previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 exceeds 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 statement of profit and loss.

i. Post-employment and other employee benefits

The Company has a saving and investment plan under Section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to statement of Profit and Loss in the period in which they accrue.

j. 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.

Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortized cost
- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortized cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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.

This category is the most relevant to the Company. 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 other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange traded funds, trade and other receivables.

The Company intends to hold its investment in open ended target maturity funds (i.e. exchange traded funds/ETF) till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such a strategy mitigates intermittent price volatility in open ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupons and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open ended target maturity funds meet the requirements of the SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gains or losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI Financial assets is reported as interest income using the EIR method.

Financial asset at FVTPL

FVTPL is a residual category for Financial assets. Any Financial asset, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets amortized cost or as at FVTOCI criteria, as at FVTPL. However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 investment as at FVTOCI, 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 the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, 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.

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 financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 statement of profit and loss.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

k. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 are adjusted for the effects of all dilutive potential equity shares.

2.3 First time adoption of Ind AS

For years up to and including the year ended 31 March 2025, the Company prepared its financial statements in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP or previous GAAP').

The financial statements for the year ended 31 March 2026, are the first financial statements, the Company has prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under section 133 of the Companies Act, 2013, as applicable to the financial statements. As these are company's first financial statements prepared in accordance with Indian Accounting Standards (Ind-AS 101), First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously recorded financial position, financial performance and cash flow of the Company is provided in note 29.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. **Refer note 26** for further disclosures.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

2.5 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including non-current liabilities subject to covenants. Specifically, regarding the classification of a liability as current, the amendment eliminates the previous requirement that the right to defer settlement must exist for at least 12 months after the reporting date. Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Company has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

2) Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognize supplier finance arrangements as a potential source of liquidity risk concentration. The Company has conducted a review of these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

NOTE 3 - INVESTMENT:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
At Cost			
Unquoted Equity Instruments			
Investment in Wholly owned subsidiaries			
Bharat Forge Tennessee, Inc.			
Subscription to common stock of USD 0.01/- [100 shares (March 31, 2025: 100 shares), (April 1, 2024: 100 shares)]	0	0	0
Capital Contribution credited in favor of Bharat Forge Tennessee, Inc.	4,677	4,677	4,677
	4,677	4,677	4,677
Bharat Forge Aluminum USA, Inc.			
Subscription to common stock of USD 10/- [10 shares (March 31, 2025: 10 shares), (April 1, 2024: 10 shares)]	0	0	0
Capital Contribution credited in favor of Bharat Forge Aluminum USA, Inc.	155,876	155,876	73,876
	155,876	155,876	73,876
Other Subsidiaries where company holds 51% or more of equity share capital			
Bharat Forge PMT Technologie, LLC.			
Capital Contribution credited in favor of Bharat Forge PMT Technologie, LLC. [82.10% holding (March 31, 2025: 82.10% holding), (April 1, 2024: 82.10% holding)]	51,136	51,136	36,136
Less: Provision for impairment in value of investment (Refer to Note 23)	(10,000)	-	-
	41,136	51,136	36,136
Total	**201,689**	**211,689**	**114,689**

Note: 0 represents amounts that are below the rounding off norms adopted by Company.

NOTE 4 - OTHER FINANCIAL ASSETS:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Recoverable from group companies (Refer to Note 27)	243	-	-
Total	**243**	**-**	**-**

Note 5 - Inventories:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Finished Goods [including goods in transit of USD Nil [(March 2025, 31: Nil), (April 2024, 1: Nil)]	312	65	77
Total	**312**	**65**	**77**

NOTE 6 - LOANS:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Current (Unsecured, considered good)			
Loans to related parties (Refer to Note 27)			
Loans to subsidiaries*	76,900	78,500	87,000
Interest accrued but not due on loans given	7,893	6,190	2,262
Total	**84,793**	**84,690**	**89,262**

*The Company provided multiple line of credit arrangements to its subsidiaries to support their working capital requirements and capital expenditures. The loan to subsidiaries is unsecured and is not subject to any financial or non-financial covenants. There were no defaults in the payment of principal or interest during the years ended March 31, 2026, March 31, 2025 and April 1, 2024.

NOTE 7 - TRADE RECEIVABLES:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Current			
Trade receivables considered good - unsecured	673	789	1,382
Less: Loss allowance	-	-	-
Net trade receivables	**673**	**789**	**1,382**
Of the above, trade receivables from related parties are as below:			
Trade receivables due from related parties	672	789	1,382
Less: Loss allowance	-	-	-
Net trade receivables	**672**	**789**	**1,382**

For details due from Related Parties refer Note 27.

Trade receivables ageing schedule

As at March 31, 2026

Amount in USD Thousands

Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	541	61	70	-	-	-	**672**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	-	-	-	-	-
Total	**541**	**61**	**70**	**-**	**-**	**-**	**672**

As at March 31, 2025

Amount in USD Thousands

Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	665	124	-	-	-	-	**789**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	-	-	-	-	-
Total	**665**	**124**	**-**	**-**	**-**	**-**	**789**

As at April 1, 2024

Amount in USD Thousands

Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	307	1,075	-	-	-	-	**1,382**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	-	-	-	-	-
Total	**307**	**1,075**	**-**	**-**	**-**	**-**	**1,382**

NOTE 8 - CASH AND CASH EQUIVALENTS:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Balances with banks:			
- In current accounts	58	632	165
Total	**58**	**632**	**165**

NOTE 9 - OTHER CURRENT ASSETS:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Other assets	18	-	130
Total	**18**	**-**	**130**

NOTE 10 - EQUITY SHARE CAPITAL:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Authorised share capital			
3,000 Equity shares of USD 0.01 each	0	0	0
Issued, subscribed and paid up			
60 Equity shares of USD 0.01 each	0	0	0

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Number of Equity shares At the commencement and at the end of the year	60	60	60

b) Shares held by holding/ultimate holding company and particulars of shareholders holding more than 5% shares of a class of shares:

60 [(March 2025, 31: 60), (April 2024, 1: 60)] being 100% equity shares are held by Bharat Forge Limited the company's holding company.

c) Details of shareholders holding of promoters

Particulars	31-Mar-26		31-Mar-25		1-Apr-24	
	No of shares held	% of shareholding	No of shares held	% of shareholding	No of shares held	% of shareholding
Promoters name						
Bharat Forge Limited	60	100%	60	100%	60	100%

d) Percentage change in shares held by promoters

Particulars	31-Mar-26	31-Mar-25	1-Apr-24
Bharat Forge Limited	0%	0%	0%

e) Terms / rights attached to equity shares

The Company has only one class of issued equity shares having a par value of USD 0.01 per share.

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

f) Information regarding issue of shares in the last five years

(i) The Company has not issued any shares without payment being received in cash.

(ii) The Company has not issued any bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

Note: 0 represents amounts that are below the rounding off norms adopted by Company.

NOTE 11 - OTHER EQUITY:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Additional paid in Capital			
Opening Balance	231,885	115,385	100,385
Additional paid in capital	-	104,500	15,000
Conversion of loan to equity	-	12,000	-
Closing Balance	**231,885**	**231,885**	**115,385**
Retained Earnings			
Opening Balance	(3,672)	(3,924)	(3,718)
Total Comprehensive Income for the year	(9,167)	252	(206)
Closing Balance	**(12,839)**	**(3,672)**	**(3,924)**
Total	**219,046**	**228,213**	**111,461**

(a) Additional paid in Capital:

Additional paid in capital represents capital contribution made by the holding company during the year.

(b) Retained earnings:

Retained earnings in the statement of profit and loss represents the balanced undistributed profits of the company as on balance sheet date.

NOTE 12 - BORROWINGS:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Working Capital Loan from Citi Bank	13,000	13,000	32,500
Intercorporate Loan	44,400	46,000	54,500
Interest accrued but not due on borrowings	6,581	5,800	2,262
Total	**63,981**	**64,800**	**89,262**

(a) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Opening Balance	59,000	87,000
Net Cash flows	(1,600)	(16,000)
Loan Converted to equity	-	(12,000)
Closing Balance	**57,400**	**59,000**

(b) Terms and repayment schedule

The terms and conditions of outstanding borrowings are as follows:

				Carrying Amount (in USD)		
Particulars	**Currency**	**Interest Rate**	**Year of Maturity**	**31-Mar-26**	**31-Mar-25**	**1-Apr-24**
Unsecured working capital bank loan	USD	SOFR + 1.85%	Revolving credit	13,000	13,000	32,500
Intercorporate loan from Bharat Forge International Limited	USD	6.50%	On demand	44,400	46,000	54,500

The Guarantee for the unsecured working capital loan from Citi Bank has been provided by Bharat Forge Limited (Holding company).

NOTE 13 - TRADE PAYABLES:

	Amount in USD Thousands		
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**	**As at 1-Apr-24**
Trade Payables	4,596	4,083	4,963
Total	**4,596**	**4,083**	**4,963**

For details due to Related Parties refer Note 27.

Trade payables ageing schedule

As at March 31, 2026 — Amount in USD Thousands

			Outstanding for following periods from due date of payment				
Particulars	**Unbilled**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of creditors	-	460	188	-	-	3,948	**4,596**
Disputed dues of creditors	-	-	-	-	-	-	**-**
Total	**-**	**460**	**188**	**-**	**-**	**3,948**	**4,596**

As at March 31, 2025 — Amount in USD Thousands

			Outstanding for following periods from due date of payment				
Particulars	**Unbilled**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of creditors	-	-	83	23	1,394	2,583	**4,083**
Disputed dues of creditors	-	-	-	-	-	-	**-**
Total	**-**	**-**	**83**	**23**	**1,394**	**2,583**	**4,083**

As at April 1, 2024 — Amount in USD Thousands

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors	-	336	627	1,417	2,583		**4,963**
Disputed dues of creditors	-	-	-	-	-	-	**-**
Total	**-**	**336**	**627**	**1,417**	**2,583**	**-**	**4,963**

NOTE 14 - OTHERS FINANCIAL LIABILITIES:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Employee contributions and recoveries payable	-	10	10
Total	**-**	**10**	**10**

NOTE 15 - OTHERS CURRENT LIABILITIES:

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 1-Apr-24
Others	163	759	9
Total	**163**	**759**	**9**

NOTE 16 : REVENUE FROM OPERATIONS:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
Other manufacturing scrap	2,035	2,657
Sale of services		
Marketing Services	1,722	1,213
Total	**3,757**	**3,870**
Within USA	-	-
Outside USA	3,757	3,870
Total Revenue from operations	**3,757**	**3,870**

Reconciliation of revenue recognised with contract price:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	2,035	2,657
Sale of services	1,722	1,213
Revenue as per contracted price	**3,757**	**3,870**

NOTE 17 : OTHER INCOME:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income	4,679	5,788
Total	**4,679**	**5,788**

NOTE 18 : PURCHASE OF STOCK-IN-TRADE:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade	2,055	2,634
Total	**2,055**	**2,634**

NOTE 19 : (INCREASE)/DECREASE IN INVENTORIES OF STOCK-IN-TRADE:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Stock-in-trade (Refer to Note 5)	312	65
Inventories at the beginning of the year		
Stock-in-trade (Refer to Note 5)	65	77
Total	**(247)**	**12**

NOTE 20 : EMPLOYEE BENEFITS EXPENSE:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus (including managing and whole time director's remuneration)	765	478
Contributions to provident and other funds / scheme	9	8
Staff welfare expenses	96	48
Total	**870**	**534**

*No actuarial valuation has been carried out during the year as the Company does not have any defined benefit obligations requiring such assessment.

NOTE 21 : FINANCE COST:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings	3,743	5,411
Others	2	2
Total	**3,745**	**5,413**

NOTE 22 : OTHER EXPENSES:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and tools	-	1
Rent	38	38
Rates and taxes	139	144
Legal and professional fees	666	380
Payment to auditors	78	106
Miscellaneous expenses*	259	144
Total	**1,180**	**813**

*Miscellaneous expenses includes travelling expenses, printing & stationery, subscriptions etc.

NOTE 23 : EXCEPTIONAL ITEM:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Provision for impairment of investment in Bharat Forge PMT Technologie, LLC. [Refer to Note 23(a)]	10,000	-
Total	**10,000**	**-**

(a) The Company has made a provision for impairment of investment in Bharat Forge PMT Technologie, LLC. amounting to USD 10,000 thousands in current year.

NOTE 24 : CAPITAL COMMITMENT AND CONTINGENT LIABILITIES:

The Company does not have any capital commitments as well as contingent liabilities existing as at the reporting date.

NOTE 25 : EARNING PER SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Nominal value per equity share	0	0
(Loss)/Profit after tax for the year	(9,167)	252
Profit attributable to equity shareholders	**(9,167)**	**252**
Particulars	**No. of Shares**	**No. of Shares**
Weighted average number of equity shares	60	60
Weighted average number of diluted equity shares	60	60
Earning Per Share- Basic (in USD)	**(152,776)**	**4,207**
Earning Per Share- Diluted (in USD)	**(152,776)**	**4,207**

Note: 0 represents amounts that are below the rounding off norms adopted by Company.

NOTE 26 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2026							Amount in USD Thousands
Particular	**Carrying value**				**Fair value**		
	FVTPL	**FVTOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets not measured at fair value*							
Trade receivables (Refer to Note 7)	-	-	673	**673**	-	-	-
Cash and cash equivalents (Refer to Note 8)	-	-	58	**58**	-	-	-
Loans (Refer to Note 6)	-	-	84,793	**84,793**	-	-	-
Other current financial assets (Note 4)	-	-	243	**243**	-	-	-
Total financial assets	-	-	**85,767**	**85,767**	-	-	-
Financial liabilities not measured at fair value*							
Borrowings (Refer to Note 12)	-	-	63,981	**63,981**	-	-	-
Trade payables (Refer to Note 13)	-	-	4,596	**4,596**	-	-	-
Other current financial liabilities (Refer to Note 14)	-	-	-	**-**	-	-	-
Total financial liabilities	-	-	**68,577**	**68,577**	-	-	-

31 March 2025							Amount in USD Thousands
Particular	**Carrying value**				**Fair value**		
	FVTPL	**FVTOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets not measured at fair value*							
Trade receivables (Refer to Note 7)	-	-	789	**789**	-	-	-
Cash and cash equivalents (Refer to Note 8)	-	-	632	**632**	-	-	-
Loans (Refer to Note 6)	-	-	84,690	**84,690**	-	-	-
Other financial assets (Note 4)	-	-	-	**-**	-	-	-
Total financial assets	-	-	**86,111**	**86,111**	-	-	-
Financial liabilities not measured at fair value*							
Borrowings (Refer to Note 12)	-	-	64,800	**64,800**	-	-	-
Trade payables (Refer to Note 13)	-	-	4,083	**4,083**	-	-	-
Other financial liabilities (Refer to Note 14)	-	-	10	**10**	-	-	-
Total financial liabilities	-	-	**68,893**	**68,893**	-	-	-

1 April 2024							Amount in USD Thousands
Particular	**Carrying value**				**Fair value**		
	FVTPL	**FVTOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets not measured at fair value*							
Trade receivables (Refer to Note 7)	-	-	1,382	1,382	-	-	-
Cash and cash equivalents (Refer to Note 8)	-	-	165	165	-	-	-
Loans (Refer to Note 6)	-	-	89,262	89,262	-	-	-
Other financial assets (Note 4)	-	-	-	-	-	-	-
Total financial assets	-	-	**90,809**	**90,809**	-	-	-
Financial liabilities not measured at fair value*							
Borrowings (Refer to Note 12)	-	-	89,262	89,262	-	-	-
Trade payables (Refer to Note 13)	-	-	4,963	4,963	-	-	-
Other financial liabilities (Refer to Note 14)	-	-	10	10	-	-	-
Total financial liabilities	-	-	**94,235**	**94,235**	-	-	-

*Financial assets and liabilities includes trade receivables, cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities whose fair value approximates their carrying amounts largely due to the short term nature of such assets and liabilities. The above does not include investments in subsidiaries which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures"

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-

specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company does not have any financial instruments with significant unobservable inputs.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation results are reviewed by Directors.

C. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, credit risk, liquidity risk.

This note explains the sources of risk to which the Company is exposed to and how the entity manages those risk.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The entity has all transactions in functional currency where all assets and liabilities are denominated in functional currency. Therefore, there is no impact of foreign currency exchange rate fluctuation risk.

(b) Foreign Exchange Contracts

The Company is not exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments as company does not have Foreign exchange contracts.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally deposits money in banks with high credit ratings assigned by international and domestic credit rating agencies.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses financial position at each reporting date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per 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.

Particular	Carrying amount	Total	Less then 1 year	1 to 5 years	> 5 years
31 March 2026					
Borrowing	63,981	**63,981**	63,981	-	**-**
Trade Payables	4,596	**4,596**	4,596	**-**	**-**
	68,577	**68,577**	**68,577**	**-**	-
31 March 2025					
Borrowing	64,800	**64,800**	64,800	-	**-**
Trade Payables	4,083	**4,083**	4,083	**-**	**-**
	68,883	**68,883**	**68,883**	**-**	-
31 March 2024					
Borrowing	89,262	89,262	89,262	-	**-**
Trade Payables	4,963	4,963	4,963	**-**	**-**
	94,225	**94,225**	**94,225**	**-**	-

NOTE 27 : RELATED PARTY DISCLOSURE

a) Name of the related party and nature of relationship:

Name of the Related Party	Extent of holding / Relationship
Mr. A.B. Kalyani	Key Management Personnel
Mr. S.E Tandale	
Mr. Ravindra Nagarkar	
Bharat Forge Limited	Holding Company
Bharat Forge Tennessee, Inc.	Subsidiaries
Bharat Forge PMT Technologie, LLC.	
Bharat Forge Aluminum USA, Inc.	
Saarloha Advanced Materials Private Limited	Other Related Parties (Enterprises owned or significantly influenced by key management personnel or their relatives) where transactions have taken place during the period.
Bharat Forge International Limited	
Kalyani Mobility, Inc.	

NOTE 27 (B) : TRANSACTIONS WITH RELATED PARTIES:

Amounts in USD Thousands

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Investment in equity shares	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	-	15,000
		Bharat Forge Aluminum USA, Inc.	-	70,000
2	Intercorporate loan taken	**Other Related Party**		
		Bharat Forge International Limited	6,400	35,500
3	Intercorporate loan taken converted to Equity	**Holding Company**		
		Bharat Forge Limited	-	12,000
4	Repayment of intercorporate loan taken	**Other Related Party**		
		Bharat Forge International Limited	8,000	32,000
5	Intercorporate loan given	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	5,200	4,000
		Bharat Forge Aluminum USA, Inc.	1,200	31,500
6	Intercorporate loan given converted to Equity	**Subsidiary Company**		
		Bharat Forge Aluminum USA, Inc.	-	12,000
7	Repayment of intercorporate loan given	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	4,000	-
		Bharat Forge Aluminum USA, Inc.	4,000	32,000
8	Interest expense on intercorporate loans taken	**Holding Company**		
		Bharat Forge Limited	-	883
		Other Related Party		
		Bharat Forge International Limited	2,892	2,468
9	Interest income on intercorporate loans given	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	888	897
		Bharat Forge Aluminum USA, Inc.	3,791	4,892
10	Sale of Service	**Holding Company**		
		Bharat Forge Limited	1,723	1,213
11	Sale of Scrap	**Other Related Party**		
		Saarloha Advanced Materials Private Limited	2,035	2,657

(iii) Balances outstanding — **Amounts in USD Thousands**

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31 March 2026	As at 31 March 2025
1	**Intercorporate Loan payable (including interest due thereon)**	**Holding Company**		
		Bharat Forge Limited	-	-
		Other related parties		
		Bharat Forge International Limited	50,968	49,739
2	**Intercorporate Loan receivable (including interest due thereon)**	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	16,801	14,947
		Bharat Forge Aluminum USA, Inc.	67,993	69,743
3	**Trade Payables**	**Holding Company**		
		Bharat Forge Limited	-	523
4	**Trade Receivables**	**Holding Company**		
		Bharat Forge Limited	486	158
		Other related parties		
		Saarloha Advanced Materials Pvt Ltd.	187	469
5	**Other Receivables**	**Subsidiary Company**		
		Bharat Forge PMT Technologie, LLC.	160	160
		Bharat Forge Aluminum USA, Inc.	81	-
		Other related parties		
		Bharat Forge International Limited	2	2

NOTE 28 : SEGMENT REPORTING:

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. The Company's holding company, Bharat Forge Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising Forgings, defence and others. The Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment which is overall a part of the reorganized entity level business segments. Hence, there is only one reportable segment of the Company, as envisaged under IND AS 108 "Operating segments".

NOTE 29 : FIRST TIME ADOPTION OF IND AS:

The adoption of Ind AS has been done in accordance with Ind AS 101, using 1 April 2024 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS Financial Statements be applied consistently and retrospectively for all periods presented. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under Ind AS and Previous GAAP as at the transition date are recognized directly in equity.

Reconciliation

The following reconciliations provide a quantification of the effect of the transition to Ind AS from Previous GAAP in accordance with Ind AS 101.

i. Effect of Ind AS adoption on Balance Sheet as at April 1, 2024:

Amounts in USD Thousands

Particulars	Note	US GAAP	IND AS Adjustments	IND AS
Assets				
Non-current assets	A			
(a) Financial assets				
(i) Investments in subsidiaries		-	114,689	114,689
(ii) Investments in non-consolidated subsidiaries and affiliate	A	28,584	(28,584)	-
Total non-current assets		**28,584**	**86,105**	**114,689**
Current assets				
(a) Inventories		77	-	77
(b) Financial assets				
(i) Trade receivables		1,382	-	1,382
(ii) Cash and cash equivalents		165	-	165
(iii) Loans	B	87,000	2,262	89,262
(iv) Others financial assets		-	-	-
(c) Other current assets	B	2,392	(2,262)	130
Total current assets		**91,016**	**(0)**	**91,016**

			Amounts in USD Thousands	
Particulars	**Note**	**US GAAP**	**IND AS Adjustments**	**IND AS**
TOTAL ASSETS		**119,600**	**86,105**	**205,705**

			Amounts in USD Thousands	
Particulars	**Note**	**US GAAP**	**IND AS Adjustments**	**IND AS**
Equity and Liabilities				
Equity				
(a) Equity share capital		0	-	0
(b) Other equity		-	(111,461)	111,461
Additional paid up capital		115,385	115,385	-
Accumulated deficit		(90,029)	(90,029)	-
Total Equity		**25,356**	**(86,105)**	**111,461**
Non-current liabilities				
(a) Financial liabilities				
(i) Other payables		10	-	10
Total non-current liabilities		**10**	-	**10**
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	C	87,000	(2,262)	89,262
(ii) Trade payables		4,963	(0)	4,963
(b) Others current liabilities	C	2,271	2,262	9
Total current liabilities		**94,234**	**(0)**	**94,234**
Total Liabilities		**94,244**	**(0)**	**94,244**
Total equity and liabilities		**119,600**	**(86,105)**	**205,705**

ii. Statement of reconciliation of equity under Ind AS and equity reported under US GAAP as at April 1, 2024:

Particulars	**Note**	**Amount in USD Thousands**
Equity as per US GAAP		25,356
Effect of accounting subsidiaries at cost	A	86,105
Equity as per IND AS		**111,461**

iii. Effect of Ind AS adoption on Balance Sheet as at March 31, 2025:

Amounts in USD Thousands

Particulars	Note	US GAAP	IND AS Adjustments	IND AS
Assets				
Non-current assets				
(a) Financial assets				
(i) Investments in subsidiaries	A	-	211,689	211,689
(ii) Investments in non-consolidated subsidiaries and affiliate	A	101,471	(101,471)	-
Total non-current assets		**101,471**	**110,218**	**211,689**
Current assets				
(a) Inventories		65	-	65
(b) Financial assets				
(i) Trade receivables		789	-	789
(ii) Cash and cash equivalents		632	-	632
(iii) Loans	B	78,500	6,190	84,690
(iv) Others financial assets		-	-	-
(c) Other current assets	B,D	5,813	(5,813)	-
Total current assets		**85,799**	**377**	**86,176**
TOTAL ASSETS		**187,270**	**110,595**	**297,865**

Amounts in USD Thousands

Particulars	Note	US GAAP	IND AS Adjustments	IND AS
Equity and Liabilities				
Equity				
(a) Equity share capital		0	-	0
(b) Other equity		-	228,213	228,213
Additional paid up capital		231,885	(231,885)	-
Accumulated deficit		(114,266)	114,266	-
Total Equity		**117,619**	**110,594**	**228,213**
Non-current liabilities				
(a) Financial liabilities				
(i) Other payables		10	-	10
Total non-current liabilities		**10**	-	**10**
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	C	59,000	5,800	64,800
(ii) Trade payables		4,083	-	4,083
(b) Others current liabilities	C	6,558	(5,799)	759
Total current liabilities		**69,641**	**1**	**69,642**
Total Liabilities		**69,651**	**1**	**69,652**
Total equity and liabilities		**187,270**	**110,595**	**297,865**

iv. Statement of reconciliation of equity under Ind AS and equity reported under US GAAP as at March 31, 2025:

Particulars	Note	USD
Equity as per US GAAP		117,619
Effect of accounting subsidiaries at cost	A	110,218
Interest accounted for loan given to subsidiaries	D	377
Equity as per IND AS		**228,213**

5. Effect of Ind AS adoption on the Statement of Profit and Loss for the period ended March 31, 2025:

The transition affect is only pertaining to effects in Note A and D of accounting investment in subsidiaries at cost and interest accounted at arm's length.

Particulars	Note	US GAAP	IND AS Adjustments	IND AS
Revenue		3,870	-	3,870
Expenses		3,994	2	3,992
Operating Profit		**(124)**	**(2)**	**(122)**
Other income (expenses), net and finance cost	B and D	(24,113)	(24,487)	374
Profit before tax		**(24,237)**	**(24,489)**	**252**
Income tax expense		-	-	-
Profit for the year		**(24,237)**	**(24,489)**	**252**

Statement of reconciliation of total comprehensive income for the period ended March 31, 2025:

Particulars	Note	USD
Net loss as per US GAAP		(24,237)
Effect of accounting subsidiaries at cost	A	24,113
Interest accounted for loan given to subsidiaries	D	377
Total comprehensive income as per IND AS		**252**

Statement of Cash flows for the year ended 31 March 2025

The transition from Previous GAAP to IND AS did not have any material impact on the statement of cash flows.

Notes

A. Pursuant to requirements of IND AS27-Separate Financial statements the Investment in Subsidiaries have been accounted at cost less impairment vis-a-vis accounted under equity pickup method in previous GAAP done by management.

B. Pursuant to requirements of IND AS 109 "Financial Instruments"- interest accrued on loans given to subsidiaries have been regrouped from "Other current assets" to "Loans".

C. Pursuant to requirements of IND AS 109 "Financial Instruments"-Interest accrued on Borrowings has been regrouped from "Other current liabilities" to "Borrowings".

D. Pursuant to requirement of IND AS 24 Related party transactions interest has been accounted on loan given to subsidiaries at arm's length.

NOTE 30 : INCOME TAX AND DEFERRED TAX

The Company is a member of a group that files a consolidated federal tax return as per regulations applicable to Chapter C corporations in the United States of America. Accordingly, no provision for federal income taxes has been made in the accompanying Separate Financial Statements. Tax liability of the Company mainly pertains to Tennessee franchise tax.

As at the year ended on March 31, 2026 and March 31, 2025, the Company is having net deferred tax assets comprising of brought forward losses under tax laws. However in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has been recorded only to the extent of Deferred Tax Liabilities.

For and on behalf of the Board of Directors of
Bharat Forge America, Inc.

S. E. Tandale
Director

Pune, India
Date: 6th May, 2026

Ravindra Nagarkar
Director

Sanford, USA
Date: 6th May, 2026

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Bharat Forge CDP GmbH

Registered Office
Mittelstrasse 64, 58256 Ennepetal, Germany

Balance Sheet

as at December 31st, 2025

ASSETS	As at 31/12/2025 EUR		As at 31/12/2024 EUR	
A. Fixed Assets				
I. Intangible assets				
1. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets	38,194.00			
2. Prepayments on intangible assets	54,758.75	92,952.75	0.00	69,767.00
II. Tangible assets				
1. Land, land rights and buildings including buildings on third party land	4,768,724.66		5,491,624.66	
2. Technical equipment and machinery	3,838,957.00		5,233,967.00	
3. Other plant, factory and office equipment	5,142,011.00		6,446,180.00	
4. Prepayments on tangible assets and construction in progress	1,392,389.34	15,142,082.00	1,379,414.72	18,551,186.38
III. Financial assets				
1. Shares in affiliated companies	1,550,000.00		1,550,000.00	
2. Loans to affiliated companies	4,542,381.17			
3. Loans to shareholders	12,142,720.32	18,235,101.49		1,550,000.00
		33,470,136.24		20,170,953.38
B. Current assets				
I. Inventories				
1. Raw materials, supplies and operating materials	11,787,521.87		15,000,993.29	
2. Work in progress	11,955,403.21		11,909,608.11	
3. Finished goods and merchandise	5,632,607.97	39,375,533.05	7,494,333.03	34,404,934.43
II. Accounts receivable and other assets				
1. Trade receivables	20,191,477.59		15,860,628.71	
- of which due after one year EUR 0.00 (2024-12-31 EUR 0.00)				
2. Receivables from affiliated companies	26,368,136.53		39,360,039.54	
- of which due after one year EUR 0.00 (2024-12-31 EUR 0.00)				
- of which to shareholders EUR 22,645,925.93 (2024-12-31 EUR 27,360,638.18)				
3. Other assets	1,025,174.30		2,641,836.54	
- of which due after one year EUR 0.00 (2024-12-31 EUR 0.00)		47,584,788.42		57,862,504.79
III. Cash on hands, bank balances		1,692,146.63		1,524,338.05
C. Prepaid expenses		266,999.26		158,840.88
Total		**112,389,603.60**		**114,121,571.53**

Balance Sheet

as at December 31st, 2025

		As at 31/12/2025		As at 31/12/2024	
EQUITY AND LIABILITIES		**EUR**		**EUR**	
A.	**Equity**				
	I. Share Capital		500,000.00		500,000.00
	II. Capital reserves		41,668,475.86		41,668,475.86
			42,168,475.86		42,168,475.86
B.	**Accruals**				
	1. Accruals for pensions and similar obligations	9,740,439.00		10,035,703.00	
	2. Other accruals	10,728,950.85	20,469,389.85	7,858,870.67	17,894,573.67
C.	**Liabilities**				
	1. Liabilities to banks	35,763,371.20		33,860,704.26	
	- of which up to one year: EUR 35,763.371.20 (2024-12-31: EUR 33,860,704.26)				
	- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)				
	2 Advance payments received for orders	783,284.00		5,784.00	
	- of which up to one year: EUR 783,284.00 (2024-12-31: EUR 5,784.00)				
	- of which more than one year: EUR 0,00 (2024-12-31: EUR 0.00)				
	3 Trade payables	11,837,377.70		18,084,787.20	
	- of which up to one year: EUR 11,837,377.70 (2024-12-31: EUR 18,084,787.20)				
	- of which more than one year: (2024-12-31: EUR 0.00)				
	4 Payables to affiliated companies	424,277.45		1,330,175.04	
	- of which up to one year: EUR 424,277.45 (2024-12-31: EUR 1,330,175.04)				
	- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)				
	- of which to shareholders EUR 0.00 (2024-12-31: EUR 0.00)				
	- of which trade payables EUR 288,369.53 (2024-12-31: EUR 701,651.71)				
	5 Other liabilities	542,393.88		775,167.50	
	- of which up to one year: EUR 542,393.88 (2024-12-31: EUR 764,786.58)				
	- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)				
	- of which taxes EUR 224,356.76 (2024-12-31: EUR 310,725.78)				
	- of which relating to social security EUR 414.28 (2024-12-31: EUR 431.98)		49,350,704.23		54,056,618.00
D.	**Deferred Income**		401,033.66		1,904.00
	Total		**112,389,603.60**		**114,121,571.53**

Profit and Loss Account

for the period from January 1st to December 31st, 2025

	As at December 31, 2025		As at December 31, 2024	
	EUR	EUR	EUR	EUR
1. Sales		162,393,965.01		200,839,112.59
2. Increase/decrease in finished goods inventories and work-in-process		(2,058,587.96)		(261,748.74)
3. Production for own plant and equipment capitalised		75,761.32		390,028.70
		160,411,138.37		200,967,392.55
4. Other operating income thereof EUR 8,310.36 (2024: EUR 4,163.20) from currency conversion		3,487,338.01		1,270,481.15
		163,898,476.38		202,237,873.70
5. Cost of materials				
a) Cost of raw materials, consumables, supplies and purchased merchandise	(76,298,911.64)		(105,782,964.94)	
b) Cost of purchased services	(36,064,214.26)		(40,835,355.06)	
		(112,363,125.90)		(146,618,320.00)
		51,535,350.48		55,619,553.70
6. Personnel expenses				
a) Wages and salaries	(25,776,136.56)		(26,852,779.18)	
b) Social security contributions and pension expenses thereof EUR 181,261.20 (2024: EUR -416,492.67) for pension expenses	(5,314,046.02)		(4,884,375.46)	
		(30,910,182.58)		(31,737,154.64)
7. Depreciation and amortization on intangible fixed assets and tangible assets		(5,362,229.14)		(6,762,258.58)
8. Other operating expenses		(16,239,024.30)		(17,366,582.74)
thereof EUR 15,107.31 (2024: EUR 3,569.15) from currency conversion		(976,085.54)		(246,442.26)
9. Investment income	73.60		17,460.96	
thereof EUR 73.601 (2024: EUR17,460.96) from affiliated companies				
10. Gain from Profit & Loss transfer agreements	1,221,040.96		2,550,415.67	
11. Other interest and similar income	584,519.56		227,655.65	
thereof EUR 583,978.55 (2024 :EUR 227,491.54) from affiliated companies				
12. Interest and similar expenses	(2,248,125.71)	(442,491.59)	(3,278,163.84)	(482,631.56)
thereof EUR 193,862.00 (2024 :EUR 205,204.00) from discounting of provisions				
		(1,418,577.13)		(729,073.82)
13. Taxes from Income		0.00		0.00
14. **Income after Taxes**		**(1,418,577.13)**		**(729,073.82)**
15. Other taxes and tariffs		(1,328,141.88)		(456,096.48)
16. Income from Loss transfer		2,746,719.01		1,185,170.30
17. Expenses from profit and loss transfer agreements		0.00		0.00
18. **Net income for the year**		**0.00**		**0.00**

Notes on the Financial Statement

for the Period of January 1st to December 31st, 2025

1. GENERAL

The company is registered as "Bharat Forge CDP GmbH" in the Commercial Register of the Local Court of Hagen under HRB 10053. The company has its registered office in Ennepetal.

Bharat Forge CDP GmbH, Ennepetal, is a large corporation in accordance with Section 267 (3) HGB (German Commercial Code).

The business year covers the period from 01.01.2025 to 31.12.2025.

2. GENERAL INFORMATION ABOUT THE CONTENT AND STRUCTURE OF THE ANNUAL FINANCIAL STATEMENTS

The presentation of the annual financial statements has not changed.

The structure of the balance sheet and income statement comply with Sections 266 and 275 HGB. In accordance with Section 42 (3) of the German Limited Liability Companies Act (GmbHG), the item "Loans to shareholders" has been added to the financial assets section of the balance sheet. The shareholder is an affiliated company.

The income statement has been prepared unchanged in accordance with the total cost method as defined in Section 275(2) HGB.

3. ACCOUNTING AND VALUATION METHODS

The annual financial statements as at 31 December 2025 were prepared in accordance with the provisions of Sections 242 to 256a and Sections 264 to 288 HGB. Supplementary provisions of GmbH-Gesetz (German Limited Liability Companies Act) concerning the annual financial statements were observed.

The accounting and valuation methods were applied without change compared to the previous year.

Acquired **intangible assets** are valued at acquisition cost. In the case of fixed assets, use of which is limited in terms of time, the acquisition and manufacturing costs are reduced by way of scheduled depreciation. The useful life is generally assumed to be three years unless a different period arises from the type of asset.

Property, plant and equipment are generally stated at acquisition or production cost less scheduled depreciation based on use. In addition to directly attributable costs, the production costs of self-constructed assets also include necessary overhead costs.

Depreciation is regularly applied using the straight-line method. Low-value assets, i.e. items with acquisition or production costs up to and including € 250, are depreciated in full in the year of acquisition. A group item is formed for asset additions in a business year if the acquisition or production costs of an individual asset are more than € 250 but not more than € 1,000. The respective group item is to be liquidated in the year in which it was set up and in the following four financial years in each case at a rate of one fifth affecting net income. Depreciation is applied on a pro rata temporis basis for additions. Insofar as own work capitalised is to be recorded, it is valued at production cost, which also includes appropriate portions of the necessary material and production overheads as well as production-related depreciation.

Useful life times are determined by asset group as follows:

Asset	**Useful life**
Intangible assets	3 years
Buildings	25 – 33 years
Outdoor facilities	8 - 33 years
Technical equipment and machinery	5 - 10 years
Tools	3 years
Fixtures, fittings and equipment	5 - 10 years
EDP equipment	3 years

Financial assets are stated at acquisition cost.

If the value of fixed assets determined according to the above principles exceeds the value to be attributed to them on the balance sheet date, this is taken into account by means of unscheduled depreciation or value adjustments in the event of a probable permanent reduction in value.

Inventories are stated at acquisition or production cost using permissible simplified valuation methods or at lower fair values. In addition to the directly attributable costs, the manufacturing costs also include appropriate portions of the necessary production and material overheads. Interest on borrowed capital is not stated. Administrative costs are only included in the calculation of production costs to the extent that they are caused by production. Appropriate deductions are made for storage and marketability risks.

Receivables and other assets are stated at cost less appropriate allowances for identifiable individual risks. The general credit risk is taken into account by way of a general bad debt allowance.

The **deferred charges and prepaid expenses item** comprises general expenses prior to the reporting date provided they constitute expenses for a certain period after that date.

Subscribed capital is stated at nominal value.

Pension obligations are calculated at their actuarial value according to the projected unit credit method using the Dr Klaus Heubeck 2018 G mortality tables based on the following assumptions:

- Discount rate:	2.06 % p.a.
- Projected benefit trend:	2.00 % p.a.
- BBG trend:	2.00 % p.a.
- Pension trend:	2.00 % p.a.
- Fluctuation:	1.00 % p.a.

Other provisions take into account all identifiable risks, contingent liabilities and impending losses from pending transactions, insofar as these exist. They are generally valued at their necessary settlement amount according to reasonable commercial judgement.

Provisions with a residual term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their residual term in accordance with Section 253 (2), Sentence 1, HGB (German Commercial Code). In the case of provisions for anniversary bonuses and similar long-term obligations, the interest rate in accordance with Section 253 (2), Sentence 2, HGB, is applied, which results from a residual term assumed as a flat rate of 15 years.

The liability arising from partial retirement was offset against the fair value of the credit balance used to secure the partial retirement entitlements of employees in the event of insolvency. The fair value is measured at the value of the call money credit balance on the balance sheet date.

The **liabilities** correspond to their settlement amounts. Liabilities in foreign currencies were translated at the average spot exchange rate on the balance sheet date in accordance with Section 256a HGB.

Deferred income includes payments received for services to be rendered over a specific period following the balance sheet date.

Import duties recognized as an expense are reported in the income statement under section **Other taxes and tariffs**.

4. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

4.1 Assets

The composition and changes in fixed assets are shown in the statement of changes in fixed assets (Appendix to the Notes).

Fixed Assets Analysis

as at 31st December, 2025

	Historical acquisition or manufacturing costs					Accumulated depreciation and amortization				Book value	
	01/01/2025 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31/12/2025 EUR	01/01/2025 EUR	Additions EUR	Disposals EUR	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
I. Intangible assets											
1. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets	1,876,888.55	5,584.99	116,320.00	0.00	1,766,153.54	1,807,121.55	37,157.99	116,320.00	1,727,959.54	38,194.00	69,767.00
2. Prepayments on intangible assets	0.00	54,758.75	0.00	0.00	54,758.75	0.00	0.00	0.00	0.00	54,758.75	0.00
	1,876,888.55	**60,343.74**	**116,320.00**	**0.00**	**1,820,912.29**	**1,807,121.55**	**37,157.99**	**116,320.00**	**1,727,959.54**	**92,952.75**	**69,767.00**
II. Tangible assets											
1. Land, land rights and Buildings, including buildings on third party land	16,503,564.32	165,534.39	171,668.92	123.50	16,497,553.29	11,011,939.66	832,849.89	115,960.92	11,728,828.63	4,768,724.66	5,491,624.66
2. Technical equipment and machinery	50,782,728.37	457,687.90	5,917,546.97	0.00	45,322,869.30	45,548,761.37 1,852,697.90	5,917,546.97	41,483,912.30	3,838,957.00	5,233,967.00	
3. Other plant, factory and office equipment	42,036,702.00	1,271,440.31	2,326,990.40	146,014.05	41,127,165.96	35,590,522.00	2,639,523.36	2,244,890.40	35,985,154.96	5,142,011.00	6,446,180.00
4. Prepayments on tangible assets and construction in progress	1,379,414.72	187,993.45	28,881.28	(146,137.55)	1,392,389.34	0.00	0.00	0.00	0.00	1,392,389.34	1,379,414.72
	110,702,409.41	**2,082,656.05**	**8,445,087.57**	**0.00**	**104,339,977.89**	**92,151,223.03**	**5,325,071.15**	**8,278,398.29**	**89,197,895.89**	**15,142,082.00**	**18,551,186.38**
III. Financial Assets											
1. Shares in affiliated companies	1,550,000.00	0.00	0.00	0.00	1,550,000.00	0.00	0.00	0.00	0.00	1,550,000.00	1,550,000.00
2. Loans to affiliated companies	0.00	4,542,381.17	0.00	0.00	4,542,381.17	0.00	0.00	0.00	0.00	4,542,381.17	0.00
3. Loans to shareholders	0.00	12,142,720.32	0.00	0.00	12,142,720.32	0.00	0.00	0.00	0.00	12,142,720.32	0.00
	1,550,000.00	**16,685,101.49**	**0.00**	**0.00**	**18,235,101.49**	**0.00**	**0.00**	**0.00**	**0.00**	**18,235,101.49**	**1,550,000.00**
	114,129,297.96	**18,828,101.28**	**8,561,407.57**	**0.00**	**124,395,991.67**	**93,958,344.58**	**5,362,229.14**	**8,394,718.29**	**90,925,855.43**	**33,470,136.24**	**20,170,953.38**

4.2 Receivables and other assets

Other assets include claims for electricity and energy tax refunds in the sum of € 867k because accrued items that do not legally arise until after the balance sheet date.

4.3 Other reserves

Provisions for partial retirement obligations were offset against the corresponding value of the securities account for insolvency protection totalling € 743k.

Other provisions include the following significant items:

	€k
Personnel	4,865
Customers	2,088
Obligations from interest	2,219
Suppliers	1,353

4.4 Liabilities

Liabilities to banks have a remaining term of up to one year.

A revolving credit line of € 27m was newly established at the beginning of the financial year 2024. This credit line and the current overdraft facilities of € 8,763 were secured by a pool agreement with the two principal banks, under which all inventories and trade receivables are deemed to be transferred as collateral.

4.5 Breakdown of sales revenue

Revenues are broken down by domestic and foreign markets as follows:

	2025	PY	Change
	€k	**€k**	**€k**
Germany	65,996	78,741	(12,745)
Abroad	96,398	122,098	(25,700)
	162,394	**200,839**	**(38,445)**

4.6 Income and expenses unrelated to the accounting period and of extraordinary significance

Other operating income includes € 892k (previous year: € 757k) in income attributable to previous financial years. This includes income from the reversal of provisions in the sum of € 4k (previous year: € 647k).

Other operating expenses include € 351k (previous year € 291k) in expenses attributable to previous financial years and expenses totalling € 623k for closing the site in Gevelsberg.

4.7 Offsetting expenses and income

Expenses and income in the sum of € 19k have been offset in the financial result.

5. OTHER DISCLOSURES

5.1 Contingent liabilities and other financial obligations

Other financial obligations exist for rental and leasing contracts totalling € 726k, of which € 598k are due within 2026.

There were no **contingent liabilities**.

5.2 Number of employees

On average, the company employed

	2025	PY
Commercial employees	281	308
Salaried employees	101	106
Apprentices	16	11
	398	**425**

5.3 Members of the Board of Management

The following persons were appointed as managing directors:

- Dr. Jens Ludmann, CEO, Engelskirchen (until March 11, 2026)
- Thore Schwampe, CFO, Witten (until March 11, 2026)
- Rudolf Meidinger, CEO, Roding (since March 11, 2026)

The managing Directors received no compensation in 2025.

5.4 Members of the Advisory Board

Members of the Advisory Board were:

- Subodh Tandale
- Raju Kalyani
- Sameer Pagnis

5.5 Balance sheet auditor's fee

The total fee charged by the balance sheet auditor for the 2025 financial year in accordance with Section 285, No. 17, HGB, is included in the corresponding note to the consolidated financial statements as at 31 December 2025 of Bharat Forge Global Holding GmbH.

5.6 Holdings

	Equity	Share	Result 2023
	€k	%	€k
Bharat Forge Daun GmbH	3,587	100	1,221*)

*) before profit transfer to Bharat Forge CDP GmbH

5.7 Incorporation in the consolidated financial statement

Bharat Forge Ltd, Mundhwa, Pune, India, is the parent company that prepares the consolidated financial statements for the largest group of companies. In case of disclosure, this is done with the Registrar of Companies in Maharashtra, Pune, India. Bharat Forge Global Holding GmbH, Ennepetal, is the parent company that prepares the consolidated financial statements for the smallest group of companies. In the event of disclosure, this is made in the company register.

5.8 Proposal for the appropriation of profits

The net profit for the financial year shall be transferred to the parent company in accordance with the profit and loss transfer agreement.

5.9 Supplementary report

In March 2026, the shareholder approved a change to the fiscal year. Following a short fiscal year from January 1, 2026, to March 31, 2026, the fiscal year will henceforth begin on April 1 and end on March 31. As of March 31, 2026, the profit and loss transfer agreement previously in place with the parent company was terminated.

Ennepetal, 27th March, 2026

Bharat Forge CDP GmbH

Rudolf Meidinger

Managing Director

Independent Auditor's Report

To Bharat Forge CDP GmbH, Ennepetal

Audit Opinions

We have audited the annual financial statements of Bharat Forge CDP GmbH, Ennepetal, which comprise the balance sheet as at December 31, 2025 and the income statement for the fiscal year from January 1, 2025 to December 31, 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Bharat Forge CDP GmbH, Ennepetal, for the financial year from January 1, 2025 to December 31, 2025.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1, 2025 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hagen, 30th March, 2026
WUP Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

(Börstinghaus)
Wirtschaftsprüfer
(German Public Auditor)

(Losse)
Wirtschaftsprüfer
(German Public Auditor)

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Bharat Forge Daun GmbH

Registered Office
Junius-Saxler-StarB 4, 'D 54550 Daun, Germany

Balance Sheet

as at December 31st, 2025

ASSETS	As at 31/12/2025 EUR	EUR	As at 31/12/2024 EUR	EUR
A. Fixed Assets				
I. Intangible assets				
Purchased concessions, industrial and similar rights and assets and license in such rights and assets		2,136.00		6,181.00
II. Tangible assets				
1. Land, land rights and buildings including buildings on third party land	714,432.00		689,958.00	
2. Technical equipment and machinery	2,771,437.00		2,819,465.00	
3. Other plant, factory and office equipment	309,220.00		393,646.00	
4. Prepayments and assets under construction	76,752.00	3,871,841.00	696,286.90	4,599,355.90
		3,873,977.00		4,605,536.90
B. Current assets				
I. Inventories				
1. Raw materials, supplies and operating materials	685,517.45		1,005,618.85	
2. Work in progress	557,194.75		866,575.88	
3. Finished goods and merchandise	38,874.25	1,281,586.45	135,511.51	2,007,706.24
II. Accounts receivable and other assets				
1. Trade receivables	176,001.08		66,815.82	
- of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)				
2. Receivables from affiliated companies	10,414,039.40		11,009,965.84	
- of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)				
- of which to shareholders EUR 0.00 (2024-12-31: EUR 0.00)				
- of which trade receivables EUR 379,495.92 (2024-12-31: EUR 693,711.45)				
3 Other assets	97,408.43	10,687,448.91	125,390.01	11,202,171.67
- of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)				
		15,843,012.36		17,815,414.81
III. Cash on hands, bank balances		31,751.45		28,677.36
C. Prepaid Expenses		18,455.67		10,510.48
Total		**15,893,219.48**		**17,854,602.65**

Balance Sheet

as at December 31st, 2025

	As at 31/12/2025		As at 31/12/2024	
EQUITY AND LIABILITIES	**EUR**	**EUR**	**EUR**	**EUR**
A. Equity				
I. Share Capital		50,000.00		50,000.00
II. Capital reserves		1,500,000.00		1,500,000.00
III. Profit/(loss) brought forward		2,037,261.13		2,037,261.13
		3,587,261.13		3,587,261.13
B. Accruals				
1. Accruals for pensions and similar obligations	1,055,474.00		1,055,855.00	
2. Other accruals	633,530.45	1,689,004.45	1,150,619.25	2,206,474.25
C. Liabilities				
1. Trade payables	282,041.35		421,324.83	
- of which up to one year: EUR 282,041.35 (2024-12-31: EUR 421,324.83)				
- of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
2. Payables to affiliated companies	7,847,156.95		10,235,098.86	
- of which up to one year: EUR 7,847,156.95 (2024-12-31: EUR 10,235,098.86)				
- of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
- of which to Shareholders EUR 7,847,156.95 (2024-12-31: EUR 10,235,098.86)				
4. Other liabilities	44,504.64		54,214.58	
- of which up to one year: EUR 44,504.64 (2024-12-31: EUR 54,214.58)				
- of which more than one year: EUR 0,00 (2024-12-31: EUR 0,00)				
- of which taxes EUR 41,759.87 (2024-12-31: EUR 52,819.58)		8,173,702.94		10,710,638.27
- of which relating to social security EUR 0.00 (2024-12-31: EUR 0,00)				
D Deffered Income		2,443,250.96		1,350,229.00
Total		**15,893,219.48**		**17,854,602.65**

Profit and Loss Account

for the period from January 1st to December 31st, 2025

		As at December 31, 2025		As at December 31, 2024	
		EUR	EUR	EUR	EUR
1.	Sales		14,840,540.80		17,905,561.56
2.	Increase or Decrease in finished good inventories and work-in-process		(406,018.39)		11,213.73
3.	Production for own plant and equipment capitalised		0.00		6,480.59
			14,434,522.41		17,923,255.88
4.	Other operating income		100,449.04		121,123.17
			14,534,971.45		**18,044,379.05**
5.	Cost of materials				
	a) Cost of raw materials, consumables, supplies and purchased merchandise	2,215,445.54		3,505,846.50	
	b) Cost of purchased services	1,133,921.59	(3,349,367.13)	1,891,041.53	(5,396,888.03)
			11,185,604.32		12,647,491.02
6.	Personnel expenses				
	a) Wages and salaries	5,376,350.16		5,872,018.36	
	b) Social security contributions and pension expenses	1,101,436.13	(6,477,786.29)	1,061,117.10	(6,933,135.46)
	thereof EUR 11,262.82 (2024: EUR (56,008.94)) for pension expenses				
			4,707,818.03		5,714,355.56
7.	Depreciation and amortization on intangible fixed assets and tangible assets		(1,071,112.74)		(1,066,196.36)
8.	Other operating expenses		(2,230,200.36)		(2,054,503.88)
			1,406,504.93		2,593,655.32
9.	Other interest and similar income thereof EUR 0,00 (2024: EUR 0,00) from affiliated companies		1,723.82		0.00
10.	Interest and similar expenses		(183,198.34)		(22,491.74)
	thereof EUR 24,215.00 (2024: EUR 22,491.74) from discounting of provisions				
					2,571,163.58
12.	**Income after Tax**		1,225,030.41		2,571,163.58
13.	Other taxes		(3,989.45)		(20,747.91)
14.	Expenses out of profit & loss transfer agreements		(1,221,040.96)		(2,550,415.67)
15.	**Net Income for the year**		**0.00**		**0.00**

Annex

as at 31 December 2025

1. GENERAL

The company is registered as “Bharat Forge Daun GmbH” in the Commercial Register of the Local Court of Wittlich under HRB 40331. The company has its registered office in Daun.

Bharat Forge Daun GmbH, Daun, is a medium-sized corporation in accordance with Section 267(2), HGB (German Commercial Code).

The company makes use of the size-dependent relief in accordance with Section 288(2), HGB.

The business year covers the period from 01.01.2025 to 31.12.2025.

2. GENERAL INFORMATION ABOUT THE CONTENT AND STRUCTURE OF THE ANNUAL FINANCIAL STATEMENT

The presentation of the annual financial statements has not changed.

The structure of the balance sheet and income statement comply with Sections 266 and 275 HGB. The income statement has been prepared unchanged in accordance with the total cost method as defined in Section 275(2) HGB.

3. ACCOUNTING AND VALUATION METHODS

The annual financial statements as at 31 December 2025 were prepared in accordance with the provisions of Sections 242 to 256a and Sections 264 to 288 HGB. Supplementary provisions of GmbH-Gesetz (German Limited Liability Companies Act) concerning the annual financial statements were observed.

The accounting and valuation methods were applied without change compared to the previous year.

Acquired **intangible assets** are valued at acquisition cost. In the case of fixed assets, the use of which is limited in terms of time, the acquisition and manufacturing costs are reduced by way of scheduled depreciation. The useful life is generally assumed to be three years unless a different period arises from the type of asset.

Property, plant and equipment are generally stated at acquisition or production cost less scheduled depreciation based on use.-

Depreciation is regularly applied using the straight-line method. Low-value assets, i.e. items with acquisition or production costs up to and including € 250, are depreciated in full in the year of acquisition. A collective item is formed for asset additions in a business year if the acquisition or production costs of an individual asset are more than € 250 but not more than € 1,000. The respective group item is to be liquidated in the year in which it was set up and in the following four financial years in each case at a rate of one fifth affecting net income. Depreciation is applied on a pro rata temporis basis for additions.

Insofar as own work capitalised is to be recorded, it is valued at production cost, which also includes appropriate portions of the necessary material and production overheads as well as production-related depreciation.

Useful life times are determined by asset group as follows:

Asset	Useful life
Intangible assets	3 years
Buildings	25 – 33 years
Outdoor facilities	8 - 33 years
Technical equipment and machinery	5 - 10 years
Tools	3 years
Fixtures, fittings and equipment	5 - 10 years
EDP equipment	3 years

If the value of fixed assets determined according to the above principles exceeds the value to be attributed to them on the balance sheet date, this is taken into account by means of unscheduled depreciation or value adjustments in the event of a probable permanent reduction in value.

Inventories are stated at acquisition or production cost using permissible simplified valuation methods or at lower fair values. Interest on borrowed capital is not stated. Administrative costs are only included in the calculation of production costs to the extent that they are caused by production. Appropriate deductions are made for storage and marketability risks.

Receivables and other assets are stated at cost less appropriate allowances for identifiable individual risks. The general credit risk is taken into account by way of a general bad debt allowance.

The **deferred charges and prepaid expenses** item comprises exclusively expenses prior to the reporting date, provided they constitute expenses for a certain period after that date.

Subscribed capital is stated at nominal value.

Pension obligations are calculated at their actuarial value according to the projected unit credit method using the Dr Klaus Heubeck 2018 G mortality tables based on the following assumptions:

- Discount rate:	2.06 % p.a. (10-Years-Average)
- BBG trend:	0.00 % p.a.
- Pension trend:	2.00 % p.a.
- Fluctuation:	1.00 % p.a.

Other provisions take into account all identifiable risks, contingent liabilities and impending losses from pending transactions, insofar as these exist. They are generally valued at their necessary settlement amount according to reasonable commercial judgement.

Provisions with a residual term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their residual term in accordance with Section 253(2), Sentence 1, HGB (German Commercial Code). In the case of provisions for anniversary bonuses and similar long-term obligations, the interest rate in accordance with Section 253(2), Sentence 2, HGB, is applied, which results from a residual term assumed as a flat rate of 15 years.

The amount of the obligation from partial retirement was offset against the fair value of the securities account for insolvency protection of the employees' partial retirement claims. The fair value is measured according to the price determined on a regulated market on the balance sheet date. No obligations existed on the balance sheet date.

The **liabilities** correspond to their settlement amounts. Liabilities in foreign currencies were translated at the average spot exchange rate on the balance sheet date in accordance with Section 256a HGB.

Deferred income includes subsidies received from a customer toward the acquisition cost of a machine. In return, the company provides consideration over a specified period. The deferred income is amortized over the useful life of the subsidized asset and is recognized as revenue.

4. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

4.1 Assets

The composition and changes in fixed assets are shown in the statement of changes in fixed assets (Appendix to the Notes).

Fixed Assets Analysis

as at 31st December, 2025

	Historical acquisition or manucacturing costs					Depreciations				Book value	
	01/01/2025	Additions	Disposals	Reclassifications	31/12/2025	01/01/2025	Additions	Disposals	31/12/2025	31/12/2025	31/12/2024
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets	163,024.40	0.00	2,202.40	0.00	160,822.00	156,843.40	4,045.00	2,202.40	158,686.00	2,136.00	6,181.00
	163,024.40	**0.00**	**2,202.40**	**0.00**	**160,822.00**	**156,843.40**	**4,045.00**	**2,202.40**	**158,686.00**	**2,136.00**	**6,181.00**
II. Tangible assets											
1. Land, land rights and buildings, including buildings on third party land	2,029,160.36	85,615.87	0.00	0.00	2,114,776.23	1,339,202.36	61,141.87	0.00	1,400,344.23	714,432.00	689,958.00
2. Technical equipment and machinery	15,291,639.51	87,295.81	252,827.76	696,286.90	15,822,394.46	12,472,174.51	831,610.71	252,827.76	13,050,957.46	2,771,437.00	2,819,465.00
3. Other plant, factory and office equipment	4,788,737.09	97,501.16	262,605.41	0.00	4,623,632.84	4,395,091.09	174,315.16	254,993.41	4,314,412.84	309,220.00	393,646.00
4. Payments in Advance and construction in progress	696,286.90	76,752.00	0.00	(696,286.90)	76,752.00	0.00	0.00	0.00	0.00	76,752.00	696,286.90
	22,805,823.86	**347,164.84**	**515,433.17**	**0.00**	**22,637,555.53**	**18,206,467.96**	**1,067,067.74**	**507,821.17**	**18,765,714.53**	**3,871,841.00**	**4,599,355.90**
	22,968,848.26	**347,164.84**	**517,635.57**	**0.00**	**22,798,377.53**	**18,363,311.74**	**1,071,112.74**	**510,023.57**	**18,924,400.53**	**3,873,977.00**	**4,605,536.90**

4.2 Receivables and other assets

Other assets include claims for electricity and energy tax refunds, which do not legally arise until after the reporting date, but are not substantial.

4.3 Other reserves

Provisions for partial retirement obligations were offset against the corresponding value of the securities account for insolvency protection totalling € 65k

Other provisions include the following significant items:

	€k
Personnel	474
Sales	20
Suppliers	93

4.4 Liabilities

All liabilities have a residual term of up to one year.

5. OTHER DISCLOSURES

5.1 Contingent liabilities and other financial obligations

As of the reporting date, there are no contingent liabilities.

Other financial obligations exist for rental and leasing contracts totalling € 218k, of which € 102k shall fall due within 2026.

5.2 Number of employees

On average, the company employed

	2025	PY
Commercial employees	73	75
Salaried employees	17	17
Apprentices	7	7
	97	99

5.3 Members of the Managing Directors

The following persons were appointed as managing directors:

- Dr. Jens Ludmann, CEO, Engelskirchen
- Thore Schwampe, CFO, Witten (until 11 March 2026)

The managing Directors received no compensation in 2025.

5.4 Members of the Advisory Board

Members of the Advisory Board were:

- Subodh Tandale
- Raju Kalyani
- Kedar Dixit

5.5 Incorporation in the consolidated financial statement

Bharat Forge Ltd, Mundhwa, Pune, India, is the parent company that prepares the consolidated financial statements for the largest group of companies. In case of disclosure, this is done with the Registrar of Companies in Maharashtra, Pune, India. Bharat Forge Global Holding GmbH, Ennepetal, is the parent company that prepares the consolidated financial statements for the smallest group of companies. In the event of disclosure, this is made in the company register.

5.6 Proposal for the appropriation of profits

The net profit for the financial year shall be transferred to the parent company in accordance with the profit and loss transfer agreement. No allocation to reserves is planned.

5.7 Supplementary report

In March 2026, the shareholder approved a change to the fiscal year. Following a short fiscal year from January 1, 2026, to March 31, 2026, the fiscal year will henceforth begin on April 1 and end on March 31. As of March 31, 2026, the profit and loss transfer agreement previously in place with the parent company was terminated.

Daun, 27th March, 2026

Bharat Forge Daun GmbH

Dr. Jens Ludmann
Managing Director

Independent Auditor's Report

To Bharat Forge Daun GmbH, Daun

Audit Opinions

We have audited the annual financial statements of Bharat Forge Daun GmbH, Daun, which comprise the balance sheet as at December 31, 2025 and the income statement for the fiscal year from January 1, 2025 to December 31, 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Bharat Forge Daun GmbH, Daun, for the financial year from January 1, 2025 to December 31, 2025.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1, 2025 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development.

In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hagen, 30th March, 2026

WUP Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

(Börstinghaus)
Wirtschaftsprüfer
(German Public Auditor)

(Losse)
Wirtschaftsprüfer
(German Public Auditor)

Bharat Forge Global Holding GmbH

Registered Office
Mittelstrasse 64, 58256 Ennepetal, Germany

Balance Sheet

as at December 31st, 2025

ASSETS		As at 31/12/2025 EUR	EUR	As at 31/12/2024 EUR	EUR
A.	**Fixed Assets**				
	I. Intangible assets				
	1. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets	52,363.00		13,213.00	
	2. Prepayments	17,222.50	69,585.50	0.00	13,213.00
	II. Tangible assets				
	1. Other plant, factory and office equipment	25,254.00		13,545.00	
	2. Prepayments on tangible assets and construction in progress	0.00	25,254.00	53,860.00	67,405.00
	III. Financial assets				
	1. Shares in affiliated companies	76,231,227.64		82,440,227.64	
	2. Loans to affiliated companies	3,345,000.00		11,345,000.00	
	3. Investments	1.00		1.00	
	4. Loans to associated companies	1.00	79,576,229.64	1.00	93,785,229.64
			79,576,229.64		93,865,847.64
B.	**Current assets**				
	I. Accounts receivable and other assets				
	1 Receivables from affiliated companies	6,497,308.30		21,994,956.77	
	of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)				
	of which from shareholders EUR 291,335.72 (2024-12-31: EUR 316,497.90)				
	2 Other assets	202,498.24		698,210.73	
	of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)		6,699,806.54		22,693,167.50
	II. Cash on hands, bank balances		259,189.10		631,904.39
C.	**Prepaid expenses**		27,646.25		28,840.35
	Total		**82,625,361.25**		**117,219,759.88**

Balance Sheet

as at December 31st, 2025

EQUITY AND LIABILITIES	As at 31/12/2025 EUR	EUR	As at 31/12/2024 EUR	EUR
A. Equity				
I. Share Capital	5,000,000.00		5,000,000.00	
II. Capital reserves	159,464,428.00		157,464,428.00	
III. Loss/profit brought forward	(131,823,034.88)		(117,591,830.79)	
IV. Net loss for the year	(28,609,043.34)	4,032,349.78	(14,231,204.09)	30,641,393.12
B. Accruals				
1. Accruals for pensions and similar obligations	1,802,872.00		1,881,385.00	
2. Tax accruals	0.00		80,242.19	
3. Other accruals	1,200,178.44	3,003,050.44	576,722.93	2,538,350.12
C. Liabilities				
1 Liabilities to banks	0.00		0.00	
- of which up to one year: EUR 0.00 (2024-12-31: EUR 0.00)				
- of which more than one year EUR 0.00 (2024-12-31: EUR 0.00)				
2 Trade payables	226,008.45		48,642.78	
- of which up to one year: EUR 226,008.45 (2024-12-31: EUR 48,642.78)				
- of which more than one year EUR 0.00 (2024-12-31: EUR 0.00)				
3 Payables to affiliated companies	75,328,843.49		79,460,252.94	
- of which up to one year: EUR 75,328,843.49 (2024-12-31: EUR 79,460,252.94)				
- of which more than one year EUR 0.00 (2024-12-31: EUR 0.00)				
- of which to shareholders EUR 0.00 (2024-12-31: EUR 1,565,738.00)				
4 Other liabilities	4,067,458.87		4,531,120.92	
- of which up to one year: EUR 4,067,458.87 (2024-12-31: EUR 4,531,120.92)				
- of which more than one year EUR 0.00 (2024-12-31: EUR 0.00)				
- of which taxes EUR 108,484.35 (2024-12-31: EUR 81,094.67)				
- of which relating to social security EUR 0.00 (2024-12-31: EUR 0.00)				
		79,622,310.81		84,040,016.64
Total		**82,625,361.25**		**117,219,759.88**

Profit and Loss Account

for the period from January 1st to December 31st, 2025

		As at 31/12/2025		As at 31/12/2024	
		EUR	EUR	EUR	EUR
1.	Sales		6,086,504.36		6,500,070.49
2.	Other operating income		91,146.35		461,244.21
			6,177,650.71		6,961,314.70
3.	Cost of purchased services		(254,981.07)		0.00
4.	Personnel expenses				
	a) Wages and salaries	(3,270,334.32)		(3,357,021.34)	
	b) Social security contributions and pension expenses	(357,265.02)		(323,315.13)	
	- thereof EUR -6,138.43 (2024 : EUR -39,040.19) for pension expenses				
			3,627,599.34		(3,680,336.47)
			2,295,070.30		**(3,280,978.23)**
5.	Depreciation and amortization on intangible fixed assets and tangible assets		(27,230.22)		(35,296.00)
6.	Other operating expenses		(3,891,080.67)		(2,381,620.79)
			(1,623,240.59)		**864,061.44**
7.	Income from write-ups of investments in affiliated companies	4,700,000.00		0.00	
8.	Investments income	41,911.83		33,450.00	
	- thereof EUR 0.00 (2024 : EUR 33,450.00) from affiliated companies				
9.	Other interest and similar income	396.00		5,384.00	
	- thereof EUR 0.00 (2024 : EUR 0.00) from affiliated companies				
10.	Depreciation on financial assets	(13,650,000.00)		0.00	
11.	Expenses out of profit and loss transfer agreement	(16,705,512.93)		(14,426,506.41)	
12.	Interest and similar expenses	(1,341,091.05)	(26,954,296.15)	(683,091.78)	(15,070,764.19)
	- thereof EUR 1,303,749.21 (2024 :EUR 646,808.00) to affiliated companies		**(28,577,536.74)**		**(14,206,702.75)**
	- thereof EUR 34,811.00 (2024: EUR 35,656.00) from discounting of provisions				
13.	Taxes on income		(42,344.47)		(22,215.34)
14.	**Income after Tax**		**(28,619,881.21)**		**(14,228,918.09)**
15.	Other taxes		10,837.87		(2,286.00)
16.	**Net loss for the year**		**(28,609,043.34)**		**(14,231,204.09)**

Annex

as at December 31st, 2025

1. GENERAL

Bharat Forge Global Holding GmbH has its registered office in Ennepetal and is entered in the Commercial Register of the Local Court of Hagen under HRB 6669.

Bharat Forge Global Holding GmbH is a small corporation pursuant to Section 267 (1) of the German Commercial Code (HGB).

The financial year covers the period from 01.01. to 31.12.2025.

2. GENERAL INFORMATION ON THE CONTENT AND STRUCTURE OF THE ANNUAL FINANCIAL STATEMENTS

The presentation of the financial statements has not changed, except for the deviation explained in the following sentence. Investment income is reported as a separate item. To improve comparability, the prior-year figures have been restated. Income from write-ups of investments in affiliated companies is reported as a separate item.

The structure of the balance sheet and income statement complies with Sections 266 and 275 HGB. As in the previous year, the income statement has been prepared using the nature of expense method as defined in Section 275 (2) HGB.

In preparing the notes to the financial statements, the Company has partly taken advantage of size-dependent exemptions for small corporations.

3. ACCOUNTING AND VALUATION METHODS

The annual financial statements for the 2025 financial year have been prepared in accordance with Sections 242 - 256a, 264 - 288 HGB. Supplementary provisions of the German Limited Liability Companies Act (GmbH-Gesetz) relating to the annual financial statements have been observed.

The accounting and valuation methods have remained unchanged also in other aspects compared with the previous year.

Acquired intangible assets and **property, plant and equipment** are carried at cost. Assets whose use is limited in time are depreciated on a straight-line basis over their expected useful lives. In the case of expected permanent impairment, additional impairment losses are recognized to the lower fair value at the balance sheet date. In the case of additions, depreciation is charged on a pro rata temporis basis.

Low-value assets, i.e. items with an acquisition or production cost of up to and including € 250, are fully depreciated in the year of acquisition. A collective item is formed for asset additions in a fiscal year if the acquisition or production cost for the individual asset is more than € 250 but not more than € 1,000. One fifth of the collective item is reversed to income in the year of recognition and in each of the following four fiscal years.

The useful lives of depreciable assets are determined by asset group as follows:

Asset	Useful life
Intangible assets	3-5 years
Factory and office equipment	5 -10 years
IT equipment	3 years

Financial assets are carried at cost or, in the case of an expected permanent impairment, at the lower fair value at the balance sheet date.

Receivables and other assets are stated at cost less appropriate allowances for identifiable specific risks. Receivables denominated in foreign currencies have been translated at the mean spot exchange rate at the balance sheet date in accordance with Section 256a of the German Commercial Code (HGB).

Subscribed capital is stated at nominal value.

Accruals for reinsured **pension commitments** have been offset against the cover capital of the reinsurance policy in accordance with Section 246 (2) sentence 2 HGB, as these are not accessible to other creditors. In accordance with Section 253 (1) sentence 4 HGB, the asset value of the reinsurance policy is to be recognized at fair value.

There is no active market for the reinsurance policies, so that a market price pursuant to Section 255 (4) HGB cannot be determined. There is also insufficient information available to determine the fair value in accordance with Section 255 (4) sentence 2 HGB using recognized valuation methods. Therefore, the asset values of the reinsurance policies have been measured at amortized cost in accordance with Section 255 (4) sentence 3 HGB. These acquisition costs correspond to the actuarial reserve including irrevocable surplus participations.

Pension obligations are calculated at their actuarial value according to the projected unit credit method using the Dr

Klaus Heubeck 2018 G mortality tables based on the following assumptions:

- Discount rate:	2.06 % p.a.
- Projected benefit trend:	2.00 % p.a.
- BBG trend:	2.00 % p.a.
- Pension trend:	2.00 % p.a.
- Fluctuation:	1.00 % p.a.

Tax accruals and **other accruals** consider all identifiable risks, uncertain liabilities and anticipated losses from pending transactions, where these exist. They are generally valued at the amount required to settle the obligation according to prudent business judgment.

Provisions with a remaining term of less than one year are not discounted. Provisions with a remaining term of more than one year are discounted in accordance with Section 253 (2) sentence 1 HGB using the average market interest rate of the past seven years corresponding to their remaining term. As in the case of retirement benefit obligations, the interest rate applied to comparable non-current provisions is the rate pursuant to Section 253 (2) sentence 2 HGB, which is based on a flat-rate assumption of a remaining term of 15 years.

Liabilities are stated at the settlement amounts.

Short-term foreign currency receivables and liabilities are valued at the average spot exchange rate on the balance sheet date.

4. DISCLOSURES ON THE BALANCE SHEET

4.1 Pension accruals

In the case of pension obligations, assets and liabilities as well as expenses and income were offset for individual pension obligations in accordance with Section 246 (2) sentence 2 HGB. The fair values of the offset assets amount to € 213k, the acquisition costs are equal. The settlement amount of the liability items to be offset amounts to € 237k. Due to incomplete matching of the terms of the commitment and the plan assets, the pension provision is not recognized at the fair value of the plan assets.

4.2 Liabilities

There were no liabilities with a remaining term of more than five years as of the balance sheet date. Other liabilities include a fine of € 4,0 million for infringements of competition law, which was imposed for a period in which the company was still operating. Due to the contractual agreements in connection with the spin-off of the operating business to Bharat Forge CDP GmbH, which was established as a result, the related expense was charged to Bharat Forge CDP GmbH. The liability itself is recognized in the Company, as the latter remains the debtor of the fine in its external relationship.

4.3 Contingent liabilities and other financial obligations

The other financial commitments relate to leases totalling € 122k, of which € 90k is due within 2026.

As of December 31, 2025, there is a contingent liability in the form of a surety in the amount of € 8,8 million in favor of an affiliated company.

5. DISCLOSURES ON THE INCOME STATEMENT

5.1 Other operating income

Income from currency translation amounted to € 7 k.

5.2 Other operating expenses

Expenses from currency translation amounted to € 1 k.

5.3 Investment income

This item relates to affiliated companies in the amount of € 42 k (previous year: € 33 k).

5.4 Depreciation on financial assets

This amounts to € 13,7 million in depreciation on investments in affiliated companies.

5.5 Other interest and similar expenses

In connection with the offsetting of assets and liabilities, related expenses and income totaling € 6 k were offset in the financial result.

6. OTHER DISCLOSURES

6.1 Employees

The company has an average of 19 employees.

6.2 Inclusion in consolidated financial statements

Bharat Forge Limited, Pune, India, is the parent company that prepares the consolidated financial statements for the smallest group of companies.

6.3 Supplementary report

An event of particular significance that occurred after the end of the fiscal year on December 31, 2025, and was not reflected in either the income statement or the balance sheet, is the equity contribution in the amount of EUR 25 million.

Ennepetal, 27th March, 2026

Bharat Forge Global Holding GmbH

Rudolf Meidinger
Managing Director

Independent Auditor's Report

To Bharat Forge Global Holding GmbH, Ennepetal.

Audit Opinion

We have audited the annual financial statements of Bharat Forge Global Holding GmbH, Ennepetal, which comprise the balance sheet as at December 31, 2025 and the income statement for the fiscal year from January 1, 2025 to December 31, 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1, 2025 to December 31, 2025 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual fi-nancial statements that comply, in all material respects, with the require-ments of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addi-tion, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial state-ments that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hagen, 30th March, 2026

(Börstinghaus)
Wirtschaftsprüfer
(German Public Auditor)

(Losse)
Wirtschaftsprüfer
(German Public Auditor)

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Bharat Forge Holding GmbH

Registered Office
Mittelstrasse 64, 58256 Ennepetal, Germany

Balance Sheet

as at December 31st, 2025

ASSETS	As at 31/12/2025 EUR	As at 31/12/2024 EUR
A. Fixed Assets		
I. Financial assets		
Shares in affiliated companies	17,051,275.79	17,051,275.79
B. Current assets		
I. Accounts receivable and other assets		
Receivables from affiliated companies	6,567,128.49	15,241,407.56
of which due after one year EUR 0.00 (2024-12-31: EUR 0.00)		
of which to shareholders EUR 0.00 (2024-12-31: EUR 13,241,336.11)		
II. Cash on hands, bank balances	352.44	0.00
Total	**23,618,756.72**	**32,292,683.35**

EQUITY AND LIABILITIES	As at 31/12/2025 EUR	As at 31/12/2024 EUR
A. Equity		
I. Share Capital	25,000.00	25,000.00
II. Capital reserves	10,824,000.00	10,824,000.00
III. Profit brought forward	2,001,308.88	2,001,308.88
	12,850,308.88	12,850,308.88
B. Accruals		
Other Provisions	4,000.00	3,453.95
C. Liabilities		
1 Liabilities to banks	0.00	50.56
- of which up to one year: EUR 0.00 (2024-12-31: EUR 50.56)		
- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)		
2 Payables to affiliated companies	10,747,722.84	19,438,869.96
- of which up to one year: EUR 7,203,410.50 (2024-12-31: EUR 19,438,869.96)		
- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)		
- of which to shareholders : EUR 7,203,410.50 (2024-12-31: EUR 19,438,869.96)		
3 Other liabilities	16,725.00	0.00
- of which up to one year: EUR 16,725.00 (2024-12-31: EUR 0.00)		
- of which more than one year: EUR 0.00 (2024-12-31: EUR 0.00)		
	10,764,447.84	**19,438,920.52**
Total	**23,618,756.72**	**32,292,683.35**

Profit and Loss Account

for the period from January 1st to December 31st, 2025

		As at 31/12/2025		As at 31/12/2024	
		EUR	EUR	EUR	EUR
1.	Other operating Income		0.00		3.00
2.	Other operating expenses		(10,343.02)		(2,510.61)
3.	Expenses from loss transfer agreement	(13,898,275.87)		(13,205,378.50)	
4.	Interest and similar expenses	(50,175.03)		(33,450.00)	
	thereof EUR 50,175.03 (2024 :EUR 33,450.00) to affiliated companies				
			(13,948,450.90)		(13,238,828.50)
5.	**Results after taxes on Income**		**(13,958,793.92)**		**(13,241,336.11)**
6.	Income from loss transfer		(13,958,793.92)		(13,241,336.11)
7.	**Net Income for the year**		**0.00**		**0.00**

Notes for the Financial Year 2025

1. GENERAL

Bharat Forge Holding GmbH has its registered office in Ennepetal and is entered in the Commercial Register of the Local Court of Hagen under Register No. HRB 6968.

It is a small corporation within the meaning of the size criteria of Section 267 (1) of the German Commercial Code (HGB).

The financial year covers the period from January 1 to December 31, 2025.

2. GENERAL INFORMATION ON THE CONTENT AND STRUCTURE OF THE ANNUAL FINANCIAL STATEMENTS

The presentation of the annual financial statements has not changed compared with the previous year. The structure of the balance sheet and income statement complies with Sections 266 and 275 HGB. The income statement has been prepared unchanged in accordance with the nature of expense method as defined in Section 275 (2) HGB.

In preparing the notes to the financial statements, the Company makes use of the size-related relief for small corporations pursuant to Section 288 HGB.

3. ACCOUNTING AND VALUATION METHODS

The annual financial statements as of December 31, 2025 have been prepared in accordance with the provisions of Sections 242 to 256a and Sections 264 to 288 HGB. Supplementary provisions of the GmbH Act relating to the annual financial statements have been observed.

The accounting and valuation methods have been retained unchanged compared with the previous year.

Shares in affiliated companies are stated at acquisition cost or, in the event of a probable permanent impairment, at the lower fair value at the balance sheet date.

Receivables from affiliated companies are stated at cost. Any necessary value adjustments are taken into account by means of appropriate valuation allowances.

Subscribed capital is stated at nominal value.

Other provisions were recognized at the settlement amount deemed necessary in accordance with prudent business judgment. Adequate allowance has been made for all identifiable risks and all contingent liabilities.

Liabilities are stated at their settlement amounts.

4. OTHER DISCLOSURES

4.1 Employees

The company has no employees.

4.2 Inclusion in consolidated financial statements

Bharat Forge Global Holding GmbH, Ennepetal, is the parent company that prepares the consolidated financial statements for the smallest group of companies.

Ennepetal, 27th March, 2026

Bharat Forge Holding GmbH

Dr. Jens Ludmann
Managing Director

Independent Auditor's Report

To Bharat Forge Holding GmbH, Ennepetal.

Audit Opinion

We have audited the annual financial statements of Bharat Forge Holding GmbH, Ennepetal, which comprise the balance sheet as at December 31, 2025 and the income statement for the fiscal year from January 1, 2025 to December 31, 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1, 2025 to December 31, 2025 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual fi-nancial statements that comply, in all material respects, with the require-ments of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addi-tion, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial state-ments that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

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- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hagen, 30th March, 2026

(Börstinghaus)
Wirtschaftsprüfer
(German Public Auditor)

(Losse)
Wirtschaftsprüfer
(German Public Auditor)

Bharat Forge International Limited (UK)

Registered Office

Boston House Business Centre, 69-75 Boston Manor Road, Brentford TW8 9JJ, United Kingdom

Statement of Financial Position

As at 31st March 2026

	Notes	2026	2025
		USD	USD
Non - current Assets			
Property, plant and equipment	10	21,015,847	6,234,636
Other receivables	14	24,606	23,769
Deferred tax asset	21	715,797	965,797
		21,756,250	**7,224,202**
Current assets			
Inventories	12	110,817,060	153,058,804
Trade and other receivables	14	186,610,994	166,988,736
Current Tax Recoverable		-	637,741
Cash and cash equivalents		3,309	6,434
		297,431,363	**320,691,715**
Current Liabilities			
Trade and Other payables	18	206,764,067	254,185,948
Current tax liabilities		757,117	-
Borrowings	17	60,464,111	37,356,739
Lease liabilities	20	124,112	135,834
		268,109,407	**291,678,521**
Net current Assets		**29,321,956**	**29,013,194**
Non - current liabilities			
Borrowings	17	7,034,690	-
Lease Liabilities	20	223,686	331,867
		7,258,376	**331,867**
Net assets		**43,819,830**	**35,905,529**
Equity			
Called up share capital	23	104,774	104,774
Revaluation reserve	24	(694,185)	(694,185)
Retained earnings		44,409,241	36,494,940
Total Equity		**43,819,830**	**35,905,529**

The financial statements were approved by the board of directors and authorised for issue on 08 May 2026 and are signed on its behalf by:

Mr K Dixit
Director
Company registration number 07459638 (England and Wales)

Income Statement

For year ended 31st March 2026

	Notes	2026 USD	2025 USD
Revenue	2	316,902,400	378,102,126
Cost of sales		(307,751,086)	(369,645,524)
Gross profit		**9,151,314**	**8,456,602**
Other operating income		113,089	37,257
Administrative expenses		(625,195)	(2,369,881)
Operating profit	4	**8,639,208**	**6,123,978**
Investment revenues	6	4,759,538	3,736,090
Finance costs	8	(2,071,467)	(1,981,853)
Profit before taxation		**11,327,279**	**7,878,215**
Income tax expense	9	(3,412,978)	(1,368,579)
Profit for the year		**7,914,301**	**6,509,636**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Investments held at fair value through other comprehensive income:			
- Valuation gain/(loss) arising in the year		-	(6,382)
Total comprehensive income for the year		**7,914,301**	**6,503,254**

The income statement has been prepared on the basis that all operations are continuing operations.

Statement of Changes in Equity

for the year ended 31 March 2026

	Share capital	Revaluation Reserve	Retained earnings	Total
	USD	USD	USD	USD
Balance at 1 April 2024	104,774	(687,803)	29,985,304	29,402,275
Year ended 31 March 2025:				
Profit	-	-	6,509,636	6,509,636
Other comprehensive income				
Adjustments to fair value of financial assets	-	(6,382)	-	(6,382)
Total comprehensive income for the year	-	(6,382)	6,509,636	(6,503,254)
Balance at 31 March 2025	**104,774**	**(694,185)**	**36,494,940**	**35,905,529**
Year ended 31 March 2026:				
Profit and total comprehensive income	-	-	7,914,301	7,914,301
Balance at 31 March 2026	**104,774**	**(694,185)**	**44,409,241**	**43,819,830**

Statement of Cash Flows

for the year ended 31st March, 2026

	Notes	2026		2025	
		USD	USD	USD	USD
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(15,867,292)		6,154,483
Interest paid			(2,071,467)		(1,981,853)
Tax paid			(1,768,120)		(3,248,030)
Net cash (outflow)/inflow from operating activities			**(19,706,120)**		**924,600**
Investing activities					
Purchase of property, plant and equipment		(15,077,943)		-	
Purchase of investments		-		(6,382)	
Interest received		4,759,538		3,736,090	
Net cash (used in)/generated from investing activities			**(10,318,405)**		**3,729,708**
Financing activities					
Repayment of bank loans		27,034,690		-	
Payment of lease liabilities		(119,903)		(111,862)	
Net cash generated from/(used in) financing activities			**(26,914,787)**		**(111,862)**
Net (decrease)/increase in cash and cash equivalents			**(3,110,497)**		**4,542,446**
Cash and cash equivalents at beginning of year			(37,350,305)		(41,892,751)
Cash and cash equivalents at end of year			**(40,460,802)**		**(37,350,305)**
Relating to:					
Bank balance and short term deposits			3,309		6,434
Bank overdrafts			**(40,464,111)**		**(37,356,739)**

Notes to the Financial Statements

for the year ended 31 march 2026

1 ACCOUNTING POLICIES

Company information

Bharat Forge International Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Boston House Business Centre, 69-75 Boston Manor Road, Brentford, Middlesex, TW8 9JJ. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest $.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also confirm continuous support from the parent company, Bharat Forge Limited. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue comprises sales of goods or services provided to customers net of value added tax and other sales taxes, less an appropriate deduction for actual and expected returns and discounts. Revenue is recognised when performance obligations are satisfied and the control of goods or services is transferred to the buyer. Where the performance obligation is satisfied over time, revenue is recognised in accordance with its progress towards complete satisfaction of that performance obligation.

When cash inflows are deferred and represent a financing arrangement, the promised consideration is adjusted for the effects of the time value of money, which is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The company recognises revenue from the following major sources:

- Sale of goods
- Interest income

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. Generally this is the date on which the goods are withdrawn from the warehouse. Where goods are shipped directly to the customer the revenue is recognised on the date which the goods reach the customer. The normal credit term is 30 - 90 days upon withdrawal or delivery.

Interest income

Interest income is recognised on receipt.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over 30 years
Fixtures, fittings & equipment	10-20% Straight line
Plant and machinery	33% Straight line
Motor vehicles	20% Straight line
Right of use asset	Straight line over expected lease term

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets classified as receivable within one year are not amortised.

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b. Lease receivables

c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IAS 11 and IAS 18

d. Financial assets that are measured at fair value through the statement of other comprehensive income (FVTOCI)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), 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.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

  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.

- The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.9 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported

in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently adjusted for remeasurements of the lease liability and applies the relevant cost model, fair value model or revaluation model as set out within the accounting policies for the applicable asset class. Where the cost model is applied, the asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, and is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily

determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is reassessed at each financial period end to reflect lease modifications and any changes to the factors considered at initial measurement, as set out above. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.15 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 REVENUE

An analysis of the company's revenue is as follows:

	2026 $	2025 $
Revenue analysed by class of business		
Forged and machined components for automotive and non-automotive industry	316,902,400	378,102,126
Other significant revenue		
Interest income	4,759,538	3,736,090
Revenue analysed by geographical market		
United States of America	251,798,368	321,387,174
Europe	60,225,036	51,532,173
United Kingdom	4,878,996	5,182,779
	316,902,400	**378,102,126**

3 AUDITOR'S REMUNERATION

	2026 $	2025 $
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	106,767	137,115

4 OPERATING PROFIT

	2026 $	2025 $
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,335,474)	366,073
Fees payable to the company's auditor for the audit of the company's financial statements	106,767	137,115
Depreciation of property, plant and equipment	296,732	324,393
Reversal of depreciation on land	-	(730,000)
Cost of inventories recognised as an expense	290,843,639	343,786,441

5 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2026 Number	2025 Number
Directors	2	2
Administration	11	9
Total	13	11

Their aggregate remuneration comprised:

	2026 $	2025 $
Wages and salaries	908,127	821,217
Social security costs	64,338	62,072
Pension costs	11,784	10,567
	984,249	**893,856**

6 INVESTMENT INCOME

	2026 $	2025 $
Interest income		
Financial instruments measured at amortised cost:		
Other interest income on financial assets	4,759,538	3,736,090

Income above relates to assets held at amortised cost, unless stated otherwise.

7 DIRECTORS' FEES

	2026 $	2025 $
Fees for qualifying services	266,918	258,708
Fees disclosed above include the following amounts paid to the highest paid director:		
Fees for qualifying services	133,459	129,354

8 FINANCE COSTS

	2026 $	2025 $
Interest on bank overdrafts and loans	2,061,187	1,969,202
Other interest expense	10,280	12,651
Total interest expense	**2,071,467**	**1,981,853**

9 INCOME TAX EXPENSE

	2026 $	2025 $
Current tax		
UK corporation tax on profits for the current period	3,162,978	1,800,000
Deferred tax		
Origination and reversal of temporary differences	250,000	(431,421)
Total tax charge	3,412,978	1,368,579
The charge for the year can be reconciled to the profit per the income statement as follows:		
Profit before taxation	11,327,279	7,878,215
Expected tax charge based on a corporation tax rate of 25.00% (2025: 25.00%)	2,831,820	1,969,554
Effect of expenses not deductible in determining taxable profit	331,158	54,244
Adjustment in respect of prior years	-	(219,889)
Permanent capital allowances in excess of depreciation	-	(3,909)
Deferred tax adjustments in respect of prior years	250,000	(431,421)
Taxation charge for the year	**3,412,978**	**1,368,579**

10 PROPERTY, PLANT AND EQUIPMENT

	Freehold buildings	Assets under constructions	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Right of use asset	Total
	$	$	$	$	$	$	$
Cost							
At 1 April 2024 and 1 April 2025	7,366,098	-	101,742	564,987	106,119	1,095,290	9,234,236
Additions		15,077,943	-	-	-	-	15,077,943
At 31 March 2026	7,366,098	15,077,943	101,742	564,987	106,119	1,095,290	24,312,179
Accumulated depreciation and impairment							
At 31 March 2024	1,470,133	-	91,646	477,695	100,814	534,919	2,675,207
Charge for the year	164,028	-	4,129	48,598	-	107,638	324,393
At 31 March 2025	1,634,161	-	95,775	526,293	100,814	642,557	2,999,600
Charge for the year	164,027	-	5,139	15,027	-	112,539	296,732
At 31 March 2026	1,798,188	-	100,914	541,320	100,814	755,096	3,296,332
Carrying amount							
At 31 March 2026	**5,567,910**	**15,077,943**	**828**	**23,667**	**5,305**	**340,194**	**21,015,847**
At 31 March 2025	**5,731,937**		**5,967**	**38,694**	**5,305**	**452,733**	**6,234,636**

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	**2026**	**2025**
	$	**$**
Net values at the year end		
Property	340,194	452,733
Depreciation charge for the year		
Property	112,539	104,911

11 INVESTMENTS

The company holds an investment of 1,160,668 / 41.25% (2025: 1,160,668 / 41.25%) shares in Tevva Motors (Jersey) Limited. Tevva Motors (Jersey) Limited, incorporated in Jersey, holds an investment of 1.95m shares in Tevva Motors Limited or 19.70% of the company. The company's investment in Tevva Motors (Jersey) Limited has been included in the financial statements at the directors' valuation of $nil (2025: $nil).

Judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Fair value of financial assets

The directors consider that the carrying amounts of financial assets are carried at fair value in the financial statements.

12 INVENTORIES

	2026	**2025**
	$	**$**
Finished goods	110,817,060	153,058,804

13 TRADE RECEIVABLES - CREDIT RISK

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value

No significant receivable balances are impaired at the reporting end date.

14 TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	2026	2025	2026	2025
	$	$	$	$
Trade receivables	57,522,719	60,455,091	-	-
Deposits recoverable	-	-	24,606	23,769
VAT recoverable	25,810	18,225	-	-
Amount owed by parent undertaking	2,598,224	5,392,184	-	-
Amounts owed by fellow group undertakings	109,978,974	97,514,695	-	-
Amounts owed by joint ventures	1,646,854	1,505,147	-	-
Amounts owed by related parties	14,375	8,743	-	-
Other receivables	13,012,100	203,725	-	-
Prepayments	1,811,938	1,890,926	-	-
	186,610,994	**166,988,736**	**24,606**	**23,769**

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

15 FAIR VALUE OF FINANCIAL LIABILITIES

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

16 LIQUIDITY RISK

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 year
	$
At 31 March 2025	
Bank overdraft	37,356,739
Trade payables	891,746
Other payables	253,294,202
	291,542,687
At 31 March 2026	
Bank loans	20,000,000
Bank overdraft	40,464,111
Trade payables	3,076,446
Other payables	203,687,621
	267,228,178

17 BORROWINGS

	2026 $	2025 $
Unsecured borrowings at amortised cost		
Bank overdrafts	20,905,485	17,386,038
Secured borrowings at amortised cost		
Bank overdrafts	19,558,626	19,970,701
Bank loans	27,034,690	-
	46,593,316	**19,970,701**

Analysis of borrowings

The company's bankers hold security over all the company's assets (present, future, actual or contingent and whether incurred alone or jointly with another) including interest and expenses.

Current liabilities	60,464,111	37,356,739
Non-current liabilities	1,034,690	-
	67,498,801	**37,356,739**

18 TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade payables	3,076,446	891,746
Amount owed to parent undertaking	200,460,713	250,275,462
Amounts owed to fellow group undertakings	426,495	249,726
Accruals	1,782,854	1,511,465
Social security and other taxation	94,668	89,210
Other payables	922,891	1,168,339
	206,764,067	**254,185,948**

19 MARKET RISK

Market risk management

Foreign exchange risk

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilites	
	2026 $	2025 $	2026 $	2025 $
Euro	75,560,179	63,077,029	32,927,798	25,024,005
Pound sterling	1,347,029	2,134,456	37,556,003	24,319,627
	76,907,208	**65,211,485**	**70,483,801**	**49,343,632**

Interest rate risk

The carrying amounts of financial liabilities which expose the company to cash flow interest rate risk are as follows:

Bankoverdrafts carried at $40.5m (2025: $37.4m)

20 LEASE LIABILITIES

	2026 $	2025 $
Maturity analysis		
Within one year	(124,112)	135,834
In two to five years	(223.686)	331,867
Total undiscounted liabilities	**(347,798)**	**467,701**

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

Current liabilities	124,112	135,834
Non-current liabilities	223,686	331,867
	347,798	**467,701**

The fair value of the company's lease obligations is approximately equal to their carrying amount.

21 DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Revaluation $	Provisions $	Provisions $
Asset at 1 April 2024	257,874	(792,250)	(534,376)
Charge/(credit) to profit or loss	(431,421)	-	(431,421)
Asset at 1 April 2025	(173,547)	(792,250)	(965,797)
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	-	(250,000)	(250,000)
Asset at 31 March 2026	**(173,547)**	**(542,250)**	**(715,797)**

22 RETIREMENT BENEFIT SCHEMES

	2026 $	2025 $
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,784	10,567

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 SHARE CAPITAL

	2026 $	2025 $
Ordinary share capital		
Issued and fully paid		
64,000 Ordinary shares of £1 each	104,774	104,774
	104,774	**104,774**

24 REVALUATION RESERVE

	2026 $	2025 $
At the beginning of the year	(694,185)	(687,803)
Fair value adjustment - investments	-	(6,382)
At the end of the year	**(694,185)**	**(694,185)**

The revaluation reserve has arisen as a result of the revaluation through other comprehensive income of the investment in shares in Tevva Motors (Jersey) Limited. For further details see note 11.

25 CAPITAL RISK MANAGEMENT

The company is not subject to any externally imposed capital requirements.

26 RELATED PARTY TRANSACTIONS

Fees for qualifying services

Two directors received directors fees totaling $266,918 (2025: $258,708), please refer to note 6.

No guarantees have been given or received.

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2026 $	2025 $	2026 $	2025 $
Parent company	-	-	284,866,861	336,952,409
Other related parties	-	-	-	(50)
	-	-	284,866,861	336,952,356

The following amounts were outstanding at the reporting end date:

	2026 $	2025 $
Amounts due to related parties		
Parent company	200,460,713	250,275,462
Other group companies	426,495	249,726
	200,887,208	**250,525,188**
Amounts due from related parties		
Parent company	2,598,224	5,392,184
Other group companies	109,978,974	97,514,695
Other related parties	14,375	8,743
	112,591,573	**102,915,622**

27 CONTROLLING PARTY

The immediate and ultimate parent company is Bharat Forge Limited, a company incorporated in India.

28 CASH (ABSORBED BY)/GENERATED FROM OPERATIONS

	2026 $	2025 $
Profit for the year before tax	11,327,279	7,878,215
Adjustments for:		
Finance costs	2,071,467	1,981,853
Investment income	(4,759,538)	(3,736,090)
Depreciation and impairment of property, plant and equipment	296,732	324,393
Movements in working capital:		
(Decrease)/Increase in inventories	42,241,744	(8,845,500)
Increase in contract assets	(837)	(5,836)
Increase in trade and other receivables	(19,622,258)	(12,981,210)
(Decrease)/Increase in trade and other payables	(47,421,881)	21,538,658
Cash generated from/(absorbed by) operations	**(15,867,292)**	**6,154,483**

29 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2025	Cash flows	31 March 2026
	$	$	$
Cash at bank and in hand	6,434	(3,125)	3,309
Bank overdrafts	(37,356,739)	(3,107,372)	(40,464,111)
	(37,350,305)	(3,110,497)	(40,460,802)
Borrowings excluding overdrafts	-	(27,034,690)	(27,034,690)
Lease liabilities	(467,701)	119,903	(347,798)
	(37,818,006)	**(30,025,284)**	**(67,843,290)**

Prior year:	1 April 2024	Cash flows	31 March 2025
	$	$	$
Cash at bank and in hand	4,341	2,093	6,434
Bank overdrafts	(41,897,092)	4,540,353	(37,356,739)
	(41,892,751)	4,542,446	(37,350,305)
Lease liabilities	(579,563)	111,862	(467,701)
	(42,472,314)	**4,654,308**	**(37,818,006)**

Independent Auditor's Report

To the Members of Bharat Forge International Ltd

Opinion

We have audited the financial statements of Bharat Forge International Ltd (the 'company') for the year ended 31 March 2026 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which We are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Jeffrey Smith (Senior Statutory Auditor)
For and on behalf of Eacotts International Limited

Date: 08 May 2026

Accountants
ICAEW Registered Auditors

Grenville Court
Britwell Road
Burnham
Buckinghamshire
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Bharat Forge Kilsta AB

Registered Office
Box 428 691 27 Karlskoga, Sweden

Income Statement

	Note	2025	2024
	1		
Operating revenue			
Net sales	2	932,355	1 012,722
Change in inventories of work in progress and finished goods		3,806	(23,748)
Other operating income	3	38,903	47,805
Operating revenue		**975,064**	**1 036,779**
Operating expenses			
Raw materials and consumables		(586,052)	(643,633)
Other external expenses	4, 5	(153,272)	(161,489)
Personnel costs	6	(211,851)	(222,947)
Depreciation of tangible assets		(60,204)	(48,631)
Other operating expenses	7	(5,248)	(8,237)
Total operating expenses		**(1,016,627)**	**(1 084,937)**
Operating profit/loss	8	**(41,563)**	**(48,158)**
Result from financial investments			
Other interest income and similar profit/loss items	9	29,395	7,874
Interest expenses and similar profit/loss items	10	(16,802)	(35,681)
Total profit/loss from financial investments		**12,593**	**(27,807)**
Profit/loss after financial items		**(28,970)**	**(75,965)**
Tax on profit for the year	11	0	(1,904)
Net profit/loss for the year		**(28,970)**	**(77,869)**

Balance Sheet

	Note	31-12-2025	31-12-2024
Assets			
Tangible fixed assets			
Land and buildings	12	55,326	56,935
Plant and machinery	13	226,243	213,440
Equipment, tools, fixtures and fittings	14	8,209	5,706
Constructions in progress	15	10,362	45,945
		300,140	**322,025**
Financial fixed assets			
Deferred tax assets	16	0	0
Total fixed assets		**300,140**	**322,025**
Current assets			
Inventories, etc.			
Raw materials and consumables		94,670	102,820
Products in progress		79,146	80,068
Finished goods		20,902	16,174
		194,718	**199,062**
Current receivables			
Accounts receivable - trade		47,278	71,269
Receivables from group companies		93	5,290
Income tax receivables		4,256	4,256
Other current receivables		316	247
Prepaid expenses and accrued income	7	7,715	8,322
		59,659	**89,384**
Cash and bank balances		22,518	43,671
Total current assets		**276,895**	**332,117**
Total assets		**577,035**	**654,142**

Equity and Liabilities

	Note	31-12-2025	31-12-2024
Equity	18, 19		
Restricted equity			
Share capital		20,000	20,000
Revaluation reserve		20,132	21,622
Statutory reserve		4,000	4,000
		44,132	**45,622**
Non-restricted equity			
Unappropriated profit brought forward		(3,427)	42,253
Net loss for the year		(28,970)	(77,869)
		(32,397)	**(35,616)**
Total equity		**11,734**	**10,006**
Provisions			
Provisions for pensions	20	1,168	1,913
Guarantee reserve		800	1,000
Total provisions	21	**1,968**	**2,913**
Long term liabilities			
Other liabilities	22	12,967	38,900
Total long term liabilities		**12,967**	**38,900**
Current liabilities			
Liabilities to credit institutions	23	356,400	389,300
Accounts payable - trade		87,723	91,504
Liabilities to group companies		4,520	625
Other current liabilities		32,919	36,903
Accrued expenses and deferred income	24	68,805	83,991
Total current liabilities		**550,366**	**602,322**
Total equity and liabilities		**577,035**	**654,142**

Change of Equity

	Share Capital	Restricted reserve	Non-restricted equity	Total equity
Equity 2024-01-01	**20,000**	**11,869**	**(10,983)**	**20,885**
Change revaluation building		(1,058)	1,058	0
Revaluation building		14,811		14,811
Tax effect revaluation		0	0	0
Shareholder contribution			52,359	52,359
Revaluation of defined benefit pensions			(180)	(180)
Net loss for the year			(77,869)	(77,869)
Equity 2024-12-31	**20,000**	**25,623**	**(35,615)**	**10,006**
Change revaluation building		(1,490)	1,490	0
Shareholder contribution			30,622	30,622
Revaluation of defined benefit pensions			76	76
Net loss for the year			(28,970)	(28,970)
Equity 2025-12-31	**20,000**	**24,132**	**(32,397)**	**11,734**

As the company has significant unrecoqnized tax losses, the tax effect on the revaluation has been assessed to be 0 (zero).

Cash Flow Statement

	Note	2025	2024
Operating activities			
Profit/loss after financial items		(28,970)	(75,965)
Adjustments for items not requiring an outflow of cash, etc:			
Depreciation		60,204	48,631
Resultat disposal fixed assets			
Exchange gain/loss		(21,754)	12,240
Provisions		(200)	(580)
Cash flow from operating activities before changes in working capital		**9,280**	**(15,674)**
Cash flow from changes in working capital			
Increase (-) decrease (+) in inventories		4,344	39,814
Increase (-) decrease (+) in current receivables		29,725	581
Increase (+) decrease (-) in current liabilities		(44,989)	(49,900)
Cash flow from operating activities		**(1,640)**	**(25,179)**
		,	,
Investing activities			
Acquisition of tangible fixed assets		(38,317)	(74,336)
Cash flow from investing activities		**(38,317)**	**(74,336)**
Financing activities			
Loans taken		22,324	44,360
Repayment of borrowings		(33,397)	0
Resolving pension provision		(745)	(479)
Shareholder contribution		30,622	52,359
Cash flow from financing activities		**18,804**	**96,240**
Cash flow		**(21,153)**	**(3,275)**
Cash and cash equivalents at beginning of the year		43,671	46,946
Cash and cash equivalents at the end of the year	25	**22,518**	**43,671**

Notes

NOTE 1 : ACCOUNTING PRINCIPLES

Bharat Forge Kilsta ABs Annual Report is prepared in accordance with the Annual Accounts Act and the guidelines issued by the Accounting Standard Board (BFN) 2012:1 Annual Report and consolidation statement (K3). If nothing else is stated the principles are unchanged compared to last year.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the closing rate. Transactions in foreign currency are translated using the transaction date. Non- monetary assets and liabilities are not recalculated and are reported at time for acquisition.

Revenues

Sales of goods are recognized when the significant risks and rewards passes from seller to buyer under conditions of sale. Sales are reported after deduction of VAT and discounts. Interest income is recognized using the effective interest method.

Income taxes

Current taxes are valued using tax rates and tax laws applicable at the balance sheet date.

Deferred tax loss carryforwards or other future tax deductions are recognized to the extent that is it probable that the deduction can be used against future taxable profits. Receivables and liabilities are reported as net when there is a legally right to set off.

Current taxes, as well as changes in deferred tax is recognized in the income statement unless the tax belongs to an event or transaction which is recognized directly in equity. Tax effects of items recognized directly in equity is recognized in equity.

Intangible fixed assets

Research and development

The Company applies the expensing model internally generated intangible fixed assets. Expenditures are recognized when they occur.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes expenditure that directly belongs to the acquisition of the asset. When a component of a fixed asset is replaced, disposal is made of the remaining old component and the new component is activated. Expenditures for repair and maintenance are recognized as expenses. Capital gain or capital loss on disposal of a fixed asset is recognized as other operating income or other operating costs. Tangible fixed assets are systematically depreciated over estimated useful life. When the depreciation amount is determined also the residual value is considered. Property land has an unlimited useful life and is not depreciated.

Linear base are used for other types of tangible fixed assets. No borrowing costs are capitalized.

In this respect the following depreciation periods are applied:

	Number of years
Residential property	50
Industrial buildings	
- Structure	40-50
- Facade, windows, roof	15-30
- Interior finishes	5-15
Land improvements	20
Plant and machinery	1-30
Equipment, tools, fixtures and fittings	3-33

Plant and machinery applies individual component split and amortization are estimated at each investment.

Impairment of non-financial assets

When there is an indication that an asset is impaired, an assessment is made of impairment. Have the assets a recovery value that is lower than the reported amount, will it be written down to its recoverable amount. When assessing impairment, the recoverable amount for the whole of cash-generating unit to which the asset belongs.

Lease

All leases where the Company is the lessee are treated as operating leases, whether the contracts are financial or operational. Lease payments are recognized as an expense on a linear basis over the lease term.

Financial instruments

Financial instruments recognized in the balance sheet include account receivables and other receivables, payables and loan.

Account receivables and other receivables

Receivables are recognized as current assets. Receivables are recorded at the amount expected to be paid after deductions for individually assessed impaired receivables.

Loan and payables

Loan and payables are recognized initially at cost, less transaction costs.

Netting of financial asset and financial liability

A financial asset and a financial liability are netted and the net amount are presented in the balance sheet only if a legally enforceable right exists and then verifies with a net amount or when a disposal of the asset and adjustment of liabilities will take place.

Impairment of financial assets

At each reporting date, the company estimates whether there is any indication of impairment in any of the financial fixed assets. Impairment is recognized if the impairment is estimated to be permanent. Impairment losses are recognized in the income statement item Income from other investments held as fixed assets. The impairment is tested individually for stocks and shares and other individual financial assets that are essential.

Inventories

Inventories are valued to the lower of cost or net realizable value. Inventories are valued as acquisition cost using weighted average price. Raw material includes all costs directly attributable to the acquisition of the goods in cost. Goods and finished goods include design costs, raw material, direct labor, other direct costs, related production costs and loan costs. Individual obsolescence assessment is ongoing.

Provisions

The Company recognizes a provision when there is a legal or constructive obligation and a reliable estimate can be made. The Company calculates the present value of obligations that are expected to be settled after more than twelve months. The increase in the provision due to passage of time is recognized as interest expense.

Employee benefits

Short term benefits

Short term benefits contain salary, social security contributions, paid vacation, paid sick leave and bonuses. Short term benefits are recognized as an expense and a liability when there is a legal or constructive obligation to pay compensation.

Post-employment benefits

Plans for post-employment benefits are classified as either defined contribution plans and defined benefit pension plans.

In defined contribution plans, the Company pays fixed contributions into a different Company, usually an insurance company and has no further obligation to the employee when the fee is paid.

The size of the employee's retirement benefits depends on the contributions paid and the return on those fees. In defined benefit plans, the company has an obligation to provide the agreed benefits to current and former employees. The company should substantially all the risk that the compensation will be higher than expected (actuarial risk) and risk of return on assets from expectations (investment risk). Investment risk exists even if the assets are transferred to another company. The charges for defined contribution plans are recognized as an expense. Unpaid fees are recognized as a liability. For defined benefit plans, the Company has elected to apply the simplification rules in BFNAR 2012:1. For defined benefit plans funded in-house, the company has chosen to report these in accordance with IAS 19. Actuarial gains and losses are recognized in equity as retained earnings.

Termination benefits

Termination benefits is payable when the Company decides to terminate employment before normal retirement date or whenever an employee accepts an offer of voluntary retirement in exchange for such compensation. If the compensation not gives any future economic benefit, a liability and an expense is made when the Company has a legal or constructive obligation to provide such compensation. The compensation is valued at the best estimate of the compensation that would be required to settle the obligation at the balance sheet date.

Cash flow

The cash flow statement is prepared using the indirect method. Reported cash flow includes only transactions that involve receipts or payments.

Estimates and assessments

The preparation of financial statements and applicable accounting principles are often based on management's judgments, estimates and assumptions that are considered reasonable at the time the assessment is made. Estimates and judgments are based on historical experience and a number of other factors, which under current circumstances are considered reasonable. The results of these are used to assess the reported values of assets and liabilities, which are not otherwise clearly evident from other sources. The actual outcome may differ from these estimates and assessments. Estimates and assessments are reviewed regularly.

According to company management, significant judgments are made regarding applied accounting principles and sources of uncertainty in estimates, mainly related to tangible fixed assets, capitalized deficits reported as deferred tax assets, doubtful accounts receivable and accounting for inventories.

Fixed assets

Tangible fixed assets are valued at cost less accumulated depreciation according to plan and any write-downs. Depreciation and write-downs are determined on the basis of an individual assessment of the financial life and value of the assets. The assessment of the useful life and value of fixed assets is material and has a major impact on the income statement and balance sheet. Company management bases its assessments on historical outcomes and physical observations of significant facilities

as well as assessments of technical and economic life.If there is a need for an impairment, the asset's recoverable amount is calculated. Recoverable value is the highest of fair value less sales costs and value in use.

When calculating the value in use, the present value is calculated from the future cash flows that the asset is expected to give rise to in its current operations and when it is divested or disposed of. The discount rate used is before tax and reflects market assessments of the time value of money and the risks related to the asset. An earlier write-down is reversed only if the reasons on which the recovery value was calculated at the last write-down have changed.

Current and deferred tax

As a result of losses in recent years, corporate management has estimated that tax losses are only capitalized insofar as there are temporary differences on which deferred tax liabilities are reported, see also note 11 deferred tax.

Accounts receivables

Accounts receivable are recognized net after provision for doubtful accounts receivable. The reserve for accounts receivable is based on an individual assessment. The net worth corresponds to the expected value. Current management is deemed sufficient by management.

Inventories

Inventories are valued at the lower of cost and net realizable value. The size of the net realizable value includes calculations, among other things, based on future sales prices, when assessed price reductions are taken into account. The actual outcome of future sales prices may deviate from assessments made.

NOTE 2 : NET SALES CLASSIFIED ACCORDING TO GEOGRAPHICAL MARKET

	2025	2024
Net sales classified according to operating area as follows:		
Chassis	508,180	565,051
Engines	411,530	431,412
Other	12,645	16,259
Total	**932,355**	**1 012,722**
Net sales classified according to geographic market as follows:		
Nordic countries	599,490	622,799
Europe, excluding the Nordic countries	288,394	343,566
North America	20,844	22,849
Other markets	23,627	23,508
Total	**932,355**	**1 012,722**

NOTE 3 : OTHER OPERATING INCOME

	2025	2024	2021
Included in other income, revenues from:			
Scrap	37,237	43,795	9,644
Sales of dies	1,181	3,620	1,008
Other	259	163	6,405
Contributions government	226	227	107
Total	**38,903**	**47,805**	**164**

NOTE 4 : OPERATING LEASE

Operating lease during the period, 6,289 (5,992) TSEK.

	2025	2024
Future minimum payable non cancellable leases:		
Payment due within one year	5,160	4,898
Payment due after one year but within 5 years	14,460	14,230
Payment due after 5 years	754	7
Total	**20,374**	**19,135**

NOTE 5 : REMUNERATION TO AUDITORS

	2025	2024
Ernst & Young		
Audit engagement	0	892
Audit in addition to audit assignment	658	1,225
Total	**658**	**2,117**
KPMG		
Audit engagement	595	0
Audit in addition to audit assignment	103	0
Total	**698**	**0**

NOTE 6 : SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

	2025	2024
Average number of employees, with women and males as allocation basis amounts to:		
Women	19	19
Men	241	262
Total for the Company	**260**	**281**
Wages and compensations amounts to		
Board of Directors and MD	1,349	0
Other employees	141,164	150,134
	142,513	**150,134**
Pension cost to Board of Directors and MD	460	0
Pension cost to other employees	15,605	17,087
Statutory and contractual social security contributions	48,927	51,342
	64,992	**68,429**
Total salaries, remuneration, social security contributions and pension costs	**207,505**	**218,563**

Managing Director is employed by the parent company during 2022-06—2025-05.

	2025	2024
Directors and senior executives		
Number of board of directors on the closing date		
Women	0%	0%
Men	100%	100%
Number of Managing Directors and senior executives		
Women	43%	33%

NOTE 7 : OTHER OPERATING EXPENSES

	2025	2024	2023
Realized/unrealized exchange loss	5,248	8,237	1,591
Total	**5,248**	**8,237**	**1,591**

NOTE 8 : TRANSACTIONS INTERCOMPANY

	2025	2024
Purchases and sales, Intercompany		
Below are the percentage of purchases and sales, Intercompany.		
Purchases,	0.49%	0.44%
Sales,	0.01%	0.01%

Ownership structure
The Company is a wholly subsidiary to Bharat Forge Global Holding GmbH, which indirectly is a wholly-owned subsidiary to Bharat Forge Limited. The consolidated financial statements are prepared by the parent company Bharat Forge Ltd which is situated in Mundhwa, Pune, India. The consolidated financial statements are available at "Registrar of companies" in Maharashtra, Pune, India.

NOTE 9 : OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

	2025	2024
Other interest	494	1,192
Realized/not realized exchange profit on liquidity account	6,688	6,682
Realized/not realized exchange profit on loan	22,213	0
Total	**29,395**	**7,874**

NOTE 10 : INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	2025	2024	2015
Interest expenses intercompany	91	0	254
Interest expenses pensions	51	85	
Realized/unrealized exchange loss loans	0	10,889	-
Other interest expenses	16,660	24,707	9,874
Total	**16,802**	**35,681**	0,935

NOTE 11 : TAX ON PROFIT FOR THE YEAR

	2025	2024
Tax on profit for the year		
Change of deferred tax related to temporary differences	0	(1,904)
Total	**0**	**(1,904)**
Reconciliation of effective tax		
Profit/loss before tax	(28,970)	(75,965)
Tax calculated at applicable tax rate 20.6% (20.6%)	5,968	15,649
Tax effect of non-deductible expenses	(3,790)	(5,218)
Tax effect of non-taxable income	35	294
Used unrecognized loss carryforwards	(2,213)	(12,629)
Recognized tax	**0**	**0**

NOTE 12 : LAND AND BUILDINGS

	31-12-2025	31-12-2024
Opening acquisition cost	71,900	70,292
Changes during the year		
- Redistribution from construction in progress	754	104
- Purchases	1,498	1,504
Closing accumulated acquisition cost	**74,152**	**71,900**
Opening depreciation	(36,588)	(34,495)
- Depreciation	(2,371)	(2,093)
Closing accumulated depreciation	**(38,959)**	**(36,588)**
Opening revaluation	21,623	9,918
Changes during the year		
- Revaluation	0	12,908
- Depreciation	(1,490)	(1,203)
Closing accumulated revaluation	**20,133**	**21,623**
Closing residual value according to plan	**55,326**	**56,935**

NOTE 13 : PLANT AND MACHINERY

	31-12-2025	31-12-2024
Opening acquisition cost	649,036	594,646
Changes during the year		
- Redistribution from construction in progress	38,318	22,125
- Purchases	29,444	34,464
- Disposals	0	(2,199)
Closing accumulated acquisition cost	**716,798**	**649,036**
Opening depreciation	(435,596)	(394,002)
Changes during the year		
- Disposals	0	2,199
- Depreciation	(54,959)	(43,793)
Closing accumulated depreciation	**(490,555)**	**(435,596)**
Closing residual value according to plan	**226,243**	**213,440**

Accumulated acquisition values at the beginning of the year are reduced by investment contributions during 1997-2000 amounting to total of 10 MSEK.

NOTE 14 : EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	31-12-2025	31-12-2024
Opening acquisition cost	53,268	53,268
Changes during the year		
- Redistribution from construction in progress	300	0
- Purchases	3,587	0
Closing accumulated acquisition cost	**57,155**	**53,268**
Opening depreciation	(47,562)	(46,020)
Changes during the year		
- Depreciation	(1,384)	(1,542)
Closing accumulated depreciation	**(48,946)**	**(47,562)**
Closing residual value according to plan	**8,209**	**5,706**

NOTE 15 : CONSTRUCTIONS IN PROGRESS

	31-12-2025	31-12-2024
Opening accrued expenses	45,945	29,806
Expenses accrued during the year	3,788	38,368
Fixed assets under construction completed this year	(39,371)	(22,229)
Closing residual value according to plan	**10,362**	**45,945**

NOTE 16 : DEFERRED TAX

	31-12-2025	31-12-2024
Deferred tax assets on tax loss	4,147	4,454
Deferred tax liabilities related to revaluation of property	(4,147)	(4,454)
	0	**0**

Total tax loss amount is 329 817 TSEK (319 151 TSEK).

NOTE 17 : ACCRUED EXPENSES AND DEFERRED INCOME

	31-12-2025	31-12-2024
Accrued expenses	5,705	6,473
Deferred income	2,010	1,849
	7,715	**8,322**

NOTE 18 : EQUITY

	No of shares	Value
Number of A-shares	200 000	100

The Company reports a revaluation fund of 20 132 (21 622) TSEK related to the revaluation of the building. Annually reduction in revaluation fund has been transferred to equity.

NOTE 19 : EQUITY AND PROPOSED TREATMENT OF LOSSES

	31-12-2025
To the disposal of the annual general meeting are the following losses:	
Unappropriated profit/loss brought forward	(3,427)
Net gain/loss for the year	(28,970)
	(32,397)
The board of Directors propose that the unappropriated loss be distributed as follows	
retained losses carried forward	**(32,397)**

NOTE 20 : CONTINGENT LIABILITES

	31-12-2025	31-12-2024
Contingent liability to FPG	28	52
Total contingent liabilities	**28**	**52**

NOTE 21 : PROVISIONS

	31-12-2025	31-12-2024
Provisions for pensions and guarantee		
Opening balance provisions	2,913	3,792
Claims of the year	(945)	(879)
Closing balance provisions	**1,968**	**2,913**

The company reports defined benefit pension plan financed in-house (ITP 2 in-house) by the PRI. Provisions for the defined benefit pension plan are recognized under paragraph 28.14a BFNAR in 2012: 1 (K3) and amounts to 1,168 (1,913) TSEK. Transition to reporting in accordance with paragraph 28.14a, assessment such as IAS 19, occurred in 2016 when the company previously reported defined benefit pension plan in-house according 28.14b (simplification rule).

The commitments that the company has in ITP2 plan in-house are mostly lifelong retirement pension. Key actuarial assumptions used as the discount rate of 3.40 (2.80) % and expected inflation of 1.70 (1.80) %. The company has reported interest expenses attributable to the provision of 51 (85) TSEK over the financial result. Furthermore, the Company reported actuarial gain of 76 (-180) TSEK directly in equity.

NOTE 22 : LONG TERM LIABILITIES

	31-12-2025	31-12-2024
Other liabilities		
Opening balance provisions	38,900	6,201
Installment	(25,933)	(25,368)
Extended installment plan	0	58,067
Closing balance long term liabilites	**12,967**	**38,900**

No liabilities are due later than 5 year from balance date.

NOTE 23 : PLEDGED ASSETS

	31-12-2025	31-12-2024
For provisions, own liabilities and receivables		
Concerning credit insurance FPG liability		
Business mortage	10,000	10,000
Total pledged assets	**10,000**	**10,000**

NOTE 24 : ACCRUED EXPENSES AND DEFERRED INCOME

	31-12-2025	31-12-2024
Accrued salaries	10,082	9,546
Accrued holiday pay	15,654	15,862
Accured social security costs & pensions	16,617	16,890
Accured customer provisions	105	66
Accured special employer´s contribution, tax on returns from pension funds and property tax	4,421	4,175
Accured financial expenses	8,954	12,917
Ongoing claims	190	129
Other items	12,782	24,406
Total	**68,805**	**83,991**

NOTE 25 : CASH AND CASH EQUIVALENTS

Only placements which can be immediately converted into cash are referred to as cash and bank balances.

Daniel Rydén
Managing Director

Jens Ludmann
Ordinary Board Member

Our audit report was issued on 2026-6-18.

KPMG

Andreas Magnusson
Authorized public accountant

Auditor's Report

To the general meeting of the shareholders of Bharat Forge Kilsta AB, corp. id 556061-2565

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Bharat Forge Kilsta AB for the year 2025.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Bharat Forge Kilsta AB as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Bharat Forge Kilsta AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Matter

The audit of the annual accounts for year 2024 was performed by another auditor whose engagement ceased in advance and who submitted an auditor´s report dated 11 June 2025, with unmodified opinions in the Report on the annual accounts.

The previous auditor has not prepared the registration of their early exit according to chapter 9, 23 § in the Companies Act or the notification pursuant to Chapter 9, § 23a of the Companies Act.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bharat Forge Kilsta AB for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the member of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Bharat Forge Kilsta AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether the member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on

such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Karlstad

KPMG AB

Andreas Magnusson
Authorized Public Accountant

Date : 18th June, 2026

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Bharat Forge PMT Technologie LLC

Registered Office
2150 Schmiede St, Surgoinsville, TN 37873, U.S.A.

Balance Sheet

as at March 31, 2026

Amount in thousands of USD

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
I. Non current assets			
(a) Property, plant and equipment	3	15,793	9,008
(b) Capital work-in-progress	3	14,231	15,378
(c) Right-of-use asset	4	80	160
(d) Other intangible assets	5	8	25
Total non-current assets		**30,112**	**24,571**
II. Current assets			
(a) Inventories	6	12,406	10,123
(b) Financial assets			
(i) Trade receivables	7	10,607	11,366
(ii) Cash and cash equivalents	8	274	575
(iii) Other financial assets	9	3,413	3,325
(c) Other current assets	10	380	180
Total current assets		**27,080**	**25,569**
Total assets		**57,192**	**50,140**

Balance Sheet

as at March 31, 2026

Amount in thousands of USD

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Equity and Liabilities			
Equity			
(a) Member's equity	11	97	97
(b) Other equity	12	16,339	22,754
Total equity		**16,436**	**22,851**
Liabilities			
I. Non current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	60	85
Total non current liabilities		**60**	**85**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	26,214	15,195
(ii) Lease liabilities	15	32	93
(iii) Trade payables	14	13,402	10,205
(iv) Other financial liabilities	15	935	756
(b) Other current liabilities	16	113	955
Total current liabilities		**40,696**	**27,204**
Total liabilities		**40,756**	**27,289**
Total equity and liabilities		**57,192**	**50,140**

Summary of material accounting policies 2

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge PMT Technologie, LLC

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Statement of Profit and Loss

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	17	56,297	46,250
Other income	18	122	2
Total income		**56,419**	**46,252**
Expenses			
Cost of raw materials and components consumed	19	38,756	31,050
Changes in inventories of finished goods, work-in-progress, dies and scrap	20	(769)	(1,629)
Employee benefits expense	21	11,828	12,898
Finance costs	22	1,173	1,116
Depreciation and amortization expense	23	3,520	2,900
Other expenses	24	8,326	6,029
Total expenses		**62,834**	**52,364**
(Loss) before tax		**(6,415)**	**(6,112)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
(Loss) after tax for the year		**(6,415)**	**(6,112)**
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss		**-**	**-**
(a) Re-measurement gain/(loss) on defined benefit plans		-	-
(ii) Income tax income relating to items that will not be reclassified to profit or loss		**-**	**-**
(iii) Items that will be reclassified to profit or loss		**-**	**-**
(a) Net movement of effective portion on cash flow hedge		-	-
(iv) Income tax income relating to items that will be reclassified to profit or loss		**-**	**-**
Other comprehensive income		**-**	**-**
Total comprehensive (loss) for the period, net of tax		**(6,415)**	**(6,112)**
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge PMT Technologie, LLC

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in thousands of USD)

a. Equity share capital

Particulars	Amount
Balance As at April 1, 2024	97
Changes in Member's equity during the year	-
Balance as at March 31, 2025	**97**
Balance as at April 1, 2025	97
Changes in Member's equity during the year	-
Balance as at March 31, 2026	**97**

b. Other Equity

Particulars	Additional paid in Capital	Retained Earnings	Total
Balance as at April 1, 2024	**39,806**	(25,941)	**13,866**
Additional paid in capital	15,000	-	**15,000**
(Loss) for the year	**-**	(6,112)	**(6,112)**
Other comprehensive income	**-**	-	**-**
Balance as at March 31, 2025	**54,806**	**(32,052)**	**22,754**
(Loss) for the year	-	(6,415)	**(6,415)**
Other comprehensive income	-	-	**-**
Balance as at March 31, 2026	**54,806**	**(38,467)**	**16,339**

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge PMT Technologie, LLC

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Statement of Cash Flows

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
(Loss) before tax	(6,415)	(6,112)
Adjustments for:		
Depreciation and amortization	3,520	2,900
Finance Cost	1,173	1,116
Bad debts	114	70
Gain on disposal of property, plant and equipment	(9)	-
Interest Income	(9)	-
Reversal of provision on inventory obsolescence	-	(10)
Write-off of security deposit	-	82
Amortization of loan processing costs	-	109
Operating loss before working capital changes	**(1,626)**	**(1,845)**
Working capital adjustments :		
Change in trade payables	3,197	7,008
Change in other financial liabilities	179	-
Change in other current liabilities	(846)	(2)
Change in trade receivables	645	(5,065)
Change in other financial assets	(87)	675
Change in other assets	(199)	110
Change in inventories	(2,283)	(4,246)
Cash (used in) / generated from operations	**(1,022)**	**(3,365)**
Less : Taxes (paid)/refund (net)	-	-
Net cash flow (used in) / generated from operating activities (A)	**(1,022)**	**(3,365)**
Investing activities:		
Interest received	9	-
Purchase of property, plant and equipment, intangible assets & intangible assets under development	(9,206)	(3,936)
Proceeds from sale of property, plant and equipment and intangible assets	72	-
Purchase of intangible assets		(18)
Net cash flow generated from / (used) in investing activities (B)	**(9,125)**	**(3,954)**

Statement of Cash Flows

for the year ended March 31, 2026

Amount in thousands of USD

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Financing activities:		
Proceeds from borrowing	14,200	4,000
Repayment of borrowing	(4,000)	(15,000)
Payment of principal portion of lease liabilities		15,000
Interest on lease liability	(5)	-
Interest paid on borrowing and other liabilities	(349)	(620)
Net cash flow(used in) / from financing activities '(C)	**9,846**	**3,380**
Net change in Cash & cash equivalents (A+B+C)	**(301)**	**(3,939)**
Cash and cash equivalents at the beginning of the year	575	4,514
Cash and cash equivalents at the end of the year	274	575
Net change in cash and cash equivalents	**(301)**	**(3,939)**

Cash and cash equivalents for the purpose of cash flow statement

Particulars	As at 31-Mar-26	As at 31-Mar-25
Balances with banks:		
- In current accounts	274	575
Total	**274**	**575**

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors of
Bharat Forge PMT Technologie, LLC

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Notes Forming Part of the Financial Statements

as at and for the year ended on March 31, 2026

1 COMPANY OVERVIEW

Bharat Forge PMT Technologie, LLC (the "Company") is engaged in the manufacture and sale of steel forgings. The Company sells its products primarily to customers in the automotive, construction, and recreational vehicle industries.

On November 30, 2016, the Company was acquired by Bharat Forge America, Inc. (82.10%) ("BFA" or the "Parent Company") and Bharat Forge Tennessee, Inc. (17.90%). Bharat Forge Limited ("Ultimate Parent Company" or “BFL”) a publicly listed Company in India, owns 100% of the common stock of Bharat Forge America, Inc.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements are presented in US Dollar ("USD") which is also the Company's functional currency. All amounts have been reported in thousands of USD except otherwise stated and per share data.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

These financial statements have been prepared by the Company solely for the purpose of placing the financial statements of the Group along with the consolidated financial statements of Bharat Forge Limited (“the ultimate holding company”) on the website of the ultimate holding company as required under Section 136 of the 2013 Act. As the company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosure requirements of the Act. These accounts are not statutory financial statements of the Company.

2.2 Summary of material accounting policies

a) Current / Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2.3 Use of Estimates:

The preparation of financial statements are in conformity with accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include but are not limited to, allowance on obsolete of inventories, allowance for expected credit loss, determination of useful lives for property plant and equipment and intangible assets, discounting rate for leases. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.4 Revenue recognition

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company's products or services. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing contracts, non-cash consideration, and consideration payable to the customer, if any.

The Company's revenue represents sales of finished goods with shipping terms ex-factory/ex-works wherein the goods are made available at Company's factory location to be picked up by the customers. The performance obligation is met at the time of goods being made available for pick up by customers.

2.5 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price.

2.6 Inventories

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, 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 incorporated are expected to be sold at or above cost. Costs are determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods is determined on a weighted average basis.

Scrap is valued at net realisable value.

Dies are valued at cost or net realisable value. The cost includes direct material, labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of dies is determined on a weighted average basis.

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. The comparison of cost and net realizable value is made on an item-by-item basis.

2.7 Property, plant, and equipment and depreciation

Property, plant, and equipment are stated at cost less accumulated depreciation. The cost of items of property, plant, and equipment comprise the cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The cost of maintenance and repairs are charged to expense when incurred.

The Company depreciates property, plant, and equipment over the estimated useful life using the straight-line method, including finance lease assets which are depreciated over the terms of their respective leases. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts, and the resulting gain or loss is credited or charged to the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The estimated useful life used to determine depreciation is:

Buildings	30-50 years
Machinery and equipments	1-20 years
Tooling and spares	3-10 years
Furniture and fixtures	5 years
Office equipments	3-5 years
Motor vehicle	3 years

The cost of property, plant, and equipment not ready for use before such date are disclosed under capital work in-progress.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The estimated useful life used to determine amortisation is:

Software	3 years

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Income Tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognized 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Foreign currency transactions

The functional currency of the company is US Dollar (USD).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit and loss.

2.12 Provision and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

2.13 Employee benefit plans

Contributions to the defined contribution plans are recognised as an expense when employees have rendered services entitling them to such benefits.

2.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

I. Non derivative financial instruments :

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.15 Impairment of assets

I. Non financial assets

Intangible assets and property, plant and equipments

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs. Impairment , if any, is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. Subsequently if there is a change in the estimates used to determine the recoverable amount, the impairment loss is reversed. Such reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined on the date of reversal, if no impairment loss had been recognized. Such impairment and any subsequent reversal is recognized under in the statement of profit and loss.

II. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

2.16 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including non-current liabilities subject to covenants. Specifically, regarding the classification of a liability as current, the amendment eliminates the previous requirement that the right to defer settlement must exist for at least 12 months after the reporting date. Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Company has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognize supplier finance arrangements as a potential source of liquidity risk concentration. The Company has conducted a review of these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(All amounts in thousands of USD)

Particulars	Buildings	Plant and machinery	Furniture and fixtures	Vehicles and aircraft	Grand Total	Capital work-in-progress
As at April 1, 2024	**809**	**23,412**	**73**	**63**	**24,357**	12,763
Additions	-	1,422	-	14	**1,436**	3,533
Disposals/capitalised	-		-	-	-	(918)
As at March 31, 2025	**809**	**24,834**	**73**	**77**	**25,793**	**15,378**
Additions	566	9,654	-	-	10,219	6,662
Disposals	-	-	-	(63)	(63)	(7,809)
As at March 31, 2026	**1,375**	**34,488**	**73**	**14**	**35,950**	**14,231**
Depreciation						
As at April 1, 2024	**(345)**	**(13,594)**	**(72)**	**(21)**	**(14,033)**	
Charge for the year	(66)	(2,665)	(1)	(21)	(2,753)	
Disposals	-	-	-	-	-	
As at March 31, 2025	**(411)**	**(16,259)**	**(73)**	**(42)**	**(16,785)**	
Charge for the year	(78)	(3,331)	(0)	(15)	(3,424)	
Disposals	-	-	-	52	52	
As at March 31, 2026	**(489)**	**(19,590)**	**(73)**	**(5)**	**(20,157)**	
Net block						
As at March 31, 2025	**398**	**8,575**	**0**	**35**	**9,008**	
As at March 31, 2026	**886**	**14,898**	**0**	**9**	**15,793**	

Capital work in progress ageing schedule

31 March 2026	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	7,816	672	4,641	1,102	**14,231**
Total	**7,816**	**672**	**4,641**	**1,102**	**14,231**

31 March 2025	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3,548	8,852	2,978	-	**15,378**
Total	**3,548**	**8,852**	**2,978**	**-**	**15,378**

NOTE 4 - ROU ASSETS

(All amounts in thousands of USD)

Particulars	Buildings	Grand Total
As at April 1, 2024	**291**	**291**
Additions	**-**	**-**
Disposals	**-**	**-**
Depreciation	**(130)**	**(130)**
As at March 31, 2025	**160**	**160**
Additions	-	-
Disposals	**-**	-
Depreciation	(80)	(80)
As at March 31, 2026	**80**	**80**

NOTE 5 - INTANGIBLE ASSETS

Particulars	Software	Grand Total
Gross block as at April 1, 2024	**595**	**595**
Additions	**18**	**18**
Disposals	**(15)**	**(15)**
Gross block as at March 31, 2025	**597**	**597**
Additions		-
Disposals	**-**	-
Gross block as at March 31, 2026	**597**	**597**
Accumulated Depreciation as at April 1, 2024	**(555)**	**(555)**
Charge for the year	(17)	(17)
Disposals	**-**	-
Accumulated Depreciation as at March 31, 2025	**(572)**	**(572)**
Charge for the year	(17)	(17)
Disposals	**-**	-
Accumulated Depreciation as at March 31, 2026	**(589)**	**(589)**
Net Block as at March 31, 2025	**25**	**25**
Net Block as at March 31, 2026	**8**	**8**

(All amounts in thousands of USD)

NOTE 6 - INVENTORIES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Raw materials and components*	5,339	3,860.60
Work-in-progress	4,129	3,238.10
Finished goods	2,365	2,487
Stores, spares and loose tools	573	536
Total	**12,406**	**10,123**

Goods in transit includes goods in transit of USD 2,336 thousands) (March 25: NIL)

NOTE 7 - TRADE RECEIVABLES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current		
Unsecured		
Considered good (including related party receivables)	10,984	11,629
Less : Allowance for expected credit loss	(377)	(263)
Total	**10,607**	**11,366**

Trade receivables ageing schedule

As at March 31, 2026

Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	1,180	9,153	182	119	350	-	**10,984**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	(27)	(87)	(70)	(193)	-	**(377)**
Total	**1,180**	**9,126**	**95**	**49**	**157**	**-**	**10,607**

As at March 31, 2025

Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	-	-	10,195	1,098	107	229	**11,629**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	(69)	(25)		(169)	**(263)**
Total	**-**	**-**	**10,126**	**1,073**	**107**	**60**	**11,366**

(All amounts in thousands of USD)

NOTE 8 - CASH AND CASH EQUIVALENTS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Balances with banks:		
- In current accounts	274	575
Total	**274**	**575**

NOTE 9 - OTHER FINANCIAL ASSETS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Other Receivable	3,413	3,325
Total	**3,413**	**3,325**

NOTE 10 - OTHER ASSETS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current		
Advance to suppliers	-	114
Others	380	66
Total	**380**	**180**

NOTE 11 - MEMBER'S CAPITAL :

Particulars	31-Mar-26		31-Mar-25	
	Amount	% of Holding	Amount	% of Holding
Bharat Forge America, Inc.	80	82.10%	80	82.10%
Bharat Forge Tennessee, Inc.	17	17.90%	17	17.90%
Member Equity	97	100%	97	100%

a) Percentage change in shares held by members

Particulars	31-Mar-26	31-Mar-25
Bharat Forge America, Inc.	0%	0%
Bharat Forge Tennessee, Inc.	0%	0%

(All amounts in thousands of USD)

NOTE 12 - OTHER EQUITY :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Additional paid in Capital		
Opening Balance	54,806	**39,806**
Additional paid in capital	-	15,000
Closing Balance	**54,806**	**54,806**
Retained Earnings		
Balance as at last financial statements	(32,052)	(25,941)
(Loss) for the year	(6,415)	(6,112)
Closing Balance	**(38,467)**	**(32,052)**
Total	**16,339**	**22,754**

NOTE 13 - BORROWINGS :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current Borrowings		
Working capital Loan	9,000	-
Interest accrued but not due on borrowings	1,514	695
Intercorporate Loan	15,700	14,500
Total	**26,214**	**15,195**

(a) Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	As at 31-Mar-26	As at 31-Mar-25
Opening Balance	14,500	25,485
Net Cash flows	10,200	(10,985)
Total	**24,700**	**14,500**

Information about the Company's exposure to interest rate and liquidity risks is included in Note 28.

(b) Terms and repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Carrying Amount (in USD Thousands)

Particulars	Currency	Interest Rate	Year of Maturity	31-Mar-26	31-Mar-25
Unsecured working capital bank loan	USD	SOFR + 1.85%	Revolving credit	9,000	-
Intercorporate loan from Bharat Forge America Inc.	USD	6.50%	On demand	15,700	14,500

(All amounts in thousands of USD)

NOTE 14 - TRADE PAYABLES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Trade Payables	13,402	10,205
Total	**13,402**	**10,205**

Trade payables ageing schedule

As at March 31, 2026

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Trade Payables	1,567	8,786	3,044	5	-	(0)	**13,402**
Disputed - Trade Payables	-	-	-	-	-	-	**-**
Total	**1,567**	**8,786**	**3,044**	**5**	-	**(0)**	**13,402**

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors	-	4,618	5,509	78	-	0	**10,205**
Disputed dues of creditors	-	-	-	-	-	-	**-**
Total	**-**	**4,618**	**5,509**	**78**	**-**	**0**	**10,205**

NOTE 15 - OTHER FINANCIAL LIABILITIES:

Particulars	As at 31-Mar-26	As at 31-Mar-25
Non Current		
Lease liabilities	60	85
Current		
Lease liabilities	32	93
Payable for capital goods	935	756
Total	**1,027**	**934**

NOTE 16 - OTHERS CURRENT LIABILITIES :

Particulars	As at 31-Mar-26	As at 31-Mar-25
Employee contributions and recoveries payable	-	98
Statutory Dues	2	2
Provision for tax	27	27
Others	84	828
Total	**113**	**955**

(All amounts in thousands of USD)

NOTE 17 - REVENUE FROM OPERATIONS :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Products		
- Sale of goods	54,513	43,981
- Tooling income	191	887
Total Sale of Products	**54,704**	**44,868**
Other operating revenues		
- Manufacturing scrap	1,593	1,382
Total Revenue from operations	**56,297**	**46,250**

NOTE 18 - OTHER INCOME :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Miscellaneous Income	104	2
Interest Income	9	-
Gain on sale/discard of property, plant and equipment(net)	9	-
Total	**122**	**2**

NOTE 19 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	3,861	1,219
Add: Purchases	40,234	33,692
Less: Inventories as at the end of the year	5,339	3,861
Cost of raw materials and components consumed	**38,756**	**31,050**

NOTE 20 - (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, DIES AND SCRAP:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Work-in-progress	4,129	3,238
Finished Goods	2,365	2,487
	6,494	**5,725**
Inventories at the beginning of the year		
Work-in-progress	3,238	2,777
Finished Goods	2,487	1,319
	5,725	**4,096**
(Increase) in inventories of finished goods and work-in-progress	**(769)**	**(1,629)**

(All amounts in thousands of USD)

NOTE 21 - EMPLOYEE BENEFITS EXPENSE :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus (including managing and whole time director's remuneration)	11,270	12,788
Contributions to employee benefit funds*	170	110
Staff welfare expenses	388	-
Total	**11,828**	**12,898**

* The Company has an employee savings plan which qualifies under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the Internal Revenue Code.

NOTE 22 - FINANCE COST :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Lease liabilities	5	12
Interest expense on borrowings	1,152	678
Others*	16	426
Total	**1,173**	**1,116**

NOTE 23 - DEPRECIATION AND AMORTISATION:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 3)	3,424	2,753
Amortisation on intangible assets (Refer note 5)	17	17
Depreciation on right-of-use assets	79	130
Total	**3,520**	**2,900**

(All amounts in thousands of USD)

NOTE 24 - OTHER EXPENSES :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and tools	1,727	1,429
Power, fuel and water	625	-
Repairs and maintenance		
- Building repairs and road maintenance	109	139
Contract labour charges	1,351	-
Rent	516	439
Rates and taxes	138	131
Insurance	480	448
Legal and professional fees	2,280	2,293
Freight forwarding charges	7	-
Bad debts / advances written off	114	70
Exchange difference (net)	1	2
Payment to Auditors	28	136
Miscellaneous expenses	948	942
Total	**8,326**	**6,029**

NOTE 25 - RELATED PARTY DISCLOSURE :

a) Name of the related party and nature of relationship:

Ultimate Holding Company	Bharat Forge Limited
Holding Company	Bharat Forge America, Inc
Other related parties where common control exists	Bharat Forge Tennesse, Inc. Bharat Forge Aluminum USA, Inc. Bharat Forge Infrastructure Limited Bharat Forge Kilsta AB
Key Management Personnel :	A.B. Kalyani S. E. Tandale B. P. Kalyani Kedar Dixit Ravindra Nagarkar

(All amounts in thousands of USD)

b) Related party transactions

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
1	**Intercorporate loan taken**	**Holding Company**		
		Bharat Forge America Inc.	5,200	4,000
2	**Repayment of intercorporate loan taken**	**Holding Company**		
		Bharat Forge America Inc.	4,000	-
3	**Interest expense on intercorporate loans taken**	**Holding Company**		
		Bharat Forge America Inc.	888	897
4	**Purchase of raw materials, components, stores, spares**	**Ultimate Parent Company**		
		Bharat Forge Limited	8,359	4,523
5	**Guarantee Commission**	**Ultimate Parent Company**		
		Bharat Forge Limited	26	-
6	**Rent**	**Other Related Party**		
		Bharat Forge Tennesse, Inc.	360	360
7	**Reimbursement of expense received**	**Other Related Party**		
		Bharat Forge Aluminum USA, Inc.	62	-

c) Related party Balance outstanding as at year end

Sr No.	Nature of transactions	Name of related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
1	**Intercorporate Loan payable (including interest due thereon)**	**Holding Company**		
		Bharat Forge America Inc.	16,801	15,031
2	**Payables**	**Ultimate Parent Company**		
		Bharat Forge Limited	4,950	4,153
		Holding Company		
		Bharat Forge America Inc.	160	160
		Other Related Party		
		Bharat Forge Tennesse, Inc.	1,260	900
		Bharat Forge Kilsta AB	-	6

(All amounts in thousands of USD)

NOTE 26 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

The Company does not have any contingent liabilities existing as at the reporting date.

NOTE 27 - CAPITAL COMMITMENT :

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8,528	12,129

NOTE 28 - FINANCIAL INSTRUMENTS :

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31 March 2026							
Particular	**Carrying value**				**Fair value**		
	FVTPL	**FVTOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets not measured at fair value*							
Trade receivables (Note 7)			10,607	**10,607**	-	-	-
Cash and cash equivalents (Note 8)	-	-	274	**274**	-	-	-
Other non current financial assets	-	-	-	**-**	-	-	-
Other current financial assets (Note 9)	-	-	3,413	**3,413**	-	-	-
Total financial assets	-	-	**14,294**	**14,294**	-	-	-
Financial liabilities not measured at fair value*							
Trade payables (Note 14)	-	-	13,402	**13,402**	-	-	-
Borrowings (Note 13)	-	-	26,214	**26,214**	-	-	-
Other current financial liabilities (Note 15)	-	-	935	**935**	-	-	-
Total financial liabilities			**40,551**	**40,551**	-	-	-

(All amounts in thousands of USD)

31 March 2025

Particulars	Carrying value				Fair value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets not measured at fair value*							
Trade receivables (Note 7)	-	-	11,366	**11,366**	-	-	-
Cash and cash equivalents (Note 8)	-	-	575	**575**	-	-	-
Other non current financial assets	-	-	-	**-**	-	-	-
Other current financial assets (Note 9)	-	-	3,325	**3,325**	-	-	-
Total financial assets			**15,266**	**15,266**	-	-	-
Financial liabilities not measured at fair value*							
Trade payables (Note 14)	-	-	10,205	**10,205**	-	-	-
Borrowings (Note 13)	-	-	15,195	**15,195**	-	-	-
Other current financial liabilities (Note 15)	-	-	756	**756**	-	-	-
Total financial liabilities			**26,156**	**26,156**	-	-	-

*Financial assets and liabilities includes trade receivables, cash and cash equivalents, other financial assets, trade payables, and borrowings whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company does not have any financial instruments with significant unobservable inputs.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation results are reviewed by Directors.

C. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, credit risk, liquidity risk.

This note explains the sources of risk to which the Company is exposed to and how the entity manages those risks.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The entity has all transactions in functional currency where all assets and liabilities are denominated in functional currency. Therefore, there is no impact of foreign currency exchange rate fluctuation risk.

(b) Foreign Exchange Contracts

The Company is not exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments as company does not have Foreign exchange contracts.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally deposits money in banks with high credit ratings assigned by international and domestic credit rating agencies.

Credit Risk Exposure

The carrying amount of financial assets represents the minimum credit exposure.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses financial position at each reporting date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per 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.

(All amounts in thousands of USD)

Particular	Carrying amount	Total	Less then 1 year	1 to 5 years	> 5 years
31 March 2026					
Trade Payables	13,402	**13,402**	13,402	**-**	**-**
Borrowing	26,214	**26,214**	26,214	-	**-**
Other financial liability	935	**935**	935		
	40,551	**40,551**	**40,551**	**-**	-
31 March 2025					
Trade Payables	10,205	**10,205**	10,205	-	-
Borrowing	15,195	**15,195**	15,195	-	-
Other financial liability	756	**756**	756		
	26,156	**26,156**	**26,156**	**-**	-

(All amounts in thousands of USD)

NOTE 29: RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	% Change	Remarks
(a) Current ratio	Current assets	Current liabilities	0.67	0.94	-29%	The change is due to higher borrowing taken in current year compared to previous year.
(b) Debt-equity ratio	Total debt	Shareholders equity	1.59	0.66	140%	The change is due higher borrowings taken in current year compared to previous year.
(c) Debt service coverage ratio	Earnings for debt service	Debt service	NA	0.45	NA	There has been no repayment of loan in current year.
(d) Return on equity ratio (%)	Net profit after taxes	Average shareholder's equity	-33%	-33%	-2%	
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	3.37	3.68	-8%	
(f) Trade receivable turnover ratio	Net credit sales	Average trade receivable	5.12	5.22	-2%	
(g) Trade payable turnover ratio	Net credit purchases	Average trade payable	3.41	5.03	-32%	The Change is due to higher purchases in current year compared to previous year.
(h) Net capital turnover ratio	Net sales	Working capital	(4.13)	(28.29)	-85%	The change is due higher borrowings taken in current year compared to previous year.
(i) Net profit ratio (%)	Net profit	Net sales	-11%	-13%	-14%	
(j) Return on capital employed (%)	Earning before interest and taxes (EBIT)	Capital employed	-12%	-13%	-6%	
(k) Return on investment (%)	EBIT	Average shareholder's equity	-27%	-27%	-2%	

For and on behalf of the Board of Directors of
Bharat Forge PMT Technologie, LLC

Ravindra Nagarkar
Director
Date: 6th May, 2026

Kedar Dixit
Director
Date: 6th May, 2026

Bharat Forge Tennessee, Inc

Registered Office
2150 Schmiede St, Surgoinsville, TN 37873, U.S.A.

Balance Sheet

as at March 31, 2026

Amount in USD Thousands

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
Non current assets			
(a) Investment property	3	2,517	2,678
(b) Financial assets			
(i) Investments in associates	4	3,768	3,768
Total non-current assets		**6,285**	**6,446**
Current Assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	23	46
(ii) Trade receivables	6A	1,260	900
(iii) Others financial assets	6B	100	100
(b) Other assets	7	-	6
(c) Current tax assets (net)		22	-
Total current Assets		**1,405**	**1,052**
Total assets		**7,690**	**7,498**
Equity and liabilities			
Equity			
(a) Equity share capital	8	0	0
(b) Other equity	9	6,982	6,902
Total equity		**6,982**	**6,902**
Non current liabilities			
(a) Deferred tax liabilities (net)	18	708	596
Total non-current liabilities		**708**	**596**
Total liabilities		**708**	**596**
Total equity and liabilities		**7,690**	**7,498**

The accompanying notes form Integral part of Financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Tennessee, Inc.

S. E. Tandale
Director
Date: 6th May, 2026

Ravindra Nagarkar
Director
Date: 6th May, 2026

Statement of Profit and Loss

for the year ended March 31, 2026

Amount in USD Thousands

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	9	360	360
Total income (I)		**360**	**360**
Expenses			
(a) Employee benefits expense	10	-	49
(b) Finance costs	11	0	-
(c) Depreciation and amortization expense		161	162
(d) Other expenses	12	7	-
Total expenses (II)		**168**	**211**
Profit before tax (I-II)		**192**	**149**
Tax expenses			
(a) Current tax		-	-
(b) Deferred tax	18	112	39
Total tax expenses (III)		112	39
Profit for the year (I-II-III)		**80**	**110**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year (net of tax)		**80**	**110**
Earnings per equity share [nominal value per share USD 0.01/- (March 31, 2025: USD 0.01/-)]			
(a) Basic (in USD)	16	800	1,102
(b) Diluted (in USD)	16	800	1,102

The accompanying notes form Integral part of Financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Tennessee, Inc.

S. E. Tandale
Director
Date: 6th May, 2026

Ravindra Nagarkar
Director
Date: 6th May, 2026

Cash Flow Statement

for the year ended March 31, 2026

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	192	149
Adjustments for:		
Depreciation and amortization	161	162
Operating Profit before working capital changes	**353**	**311**
Working capital adjustments :		
Decrease/ (increase) in other assets	6	(6)
(Increase) in trade receivables	(360)	(360)
	(354)	**(366)**
Cash generated from operations	**(1)**	**(55)**
Less : Advance tax paid	(22)	(10)
Net cash flows (used in) operating activities	**(23)**	**(65)**
Net change in Cash & cash equivalents	**(23)**	**(65)**
Cash and cash equivalents at the beginning of the year	46	111
Cash and cash equivalents at the end of the year	23	46
Net change in cash and cash equivalents	**(23)**	**(65)**

The accompanying notes form Integral part of Financial statements.

For and on behalf of the Board of Directors of
Bharat Forge Tennessee, Inc.

S. E. Tandale
Director
Date: 6th May, 2026

Ravindra Nagarkar
Director
Date: 6th May, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

a. Equity share capital

Particulars	Number of equity shares	Amount in USD Thousands
Balance as at April 1, 2024	100	0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	**100**	**0**
Balance as at April 1, 2025	100	0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	**100**	**0**

b. Other Equity

Amount in USD Thousands

Particulars	Additional capital contribution	Retained Earnings	Total
Balance as at April 1, 2024	4,677	2,115	**6,792**
Profit for the year	-	110	**110**
Balance as at March 31, 2025	**4,677**	**2,225**	**6,902**
Profit for the year	-	80	**80**
Balance as at March 31, 2026	**4,677**	**2,305**	**6,982**

For and on behalf of the Board of Directors of
Bharat Forge Tennessee, Inc.

S. E. Tandale
Director
Date: 6th May, 2026

Ravindra Nagarkar
Director
Date: 6th May, 2026

Notes Forming Part of the Financial Statements

as at and for the year ended on March 31, 2026

1. CORPORATE INFORMATION

Bharat Forge Tennessee, Inc. (the "Company") is a wholly-owned subsidiary of Bharat Forge America, Inc. ("BFA" or "the Parent"). Subsequent to its acquisition, by the Parent on November 30, 2016, the Company changed its name from PMT Holdings, Inc. to Bharat Forge Tennessee, Inc. Bharat Forge Limited ("Ultimate Parent Company" or "BFL") a publicly listed Company in India owns 100% of the common stock of Bharat Forge America, Inc. Bharat Forge Tennessee, Inc. ("BFT" or the "Company") leases land and a building to Bharat Forge PMT Technologies, LLC, ("PMT'), in which the Company has a minority interest of 17.90%.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements have been prepared on a historical cost basis.

These financial statements are presented in US Dollar ("USD") which is also the Company's functional currency. All values are rounded to the nearest thousands (USD 000), except when otherwise indicated, unless otherwise stated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Investments in associates

The Company has accounted for its investment in associates at cost less accumulated impairment.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received on selling 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:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

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 economic best interests.

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 financial statements 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

d. Revenue from operations

Rental income arising from operating leases is recognized in accordance with Ind AS 116 "Leases". Rental income is recognized on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the underlying asset is diminished.

Lease income is recognized when it becomes due as per the terms of the agreement with the lessee and when there is reasonable certainty of ultimate collection. Variable lease payments, if any, are recognized in the period in which they arise as per the lease agreement.

The Company assesses collectability of lease rentals and recognizes income only to the extent it is probable that economic benefits will flow to the Company.

The Company has concluded that it acts as a lessor for all its rental arrangements and recognizes lease income accordingly.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax

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 liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 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.

f. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The investment properties held by the Company are in the nature of freehold land, which is not subject to depreciation, and buildings and land improvements, which are subject to depreciation.

Depreciation on investment properties is provided on the straight line method over the useful lives of the assets as follows:

Type of asset	Useful lives (in years)
Land improvements	30
Buildings	10 to 30

Freehold land is carried at cost.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

In determining the amount of consideration from the derecognition of an investment property the Company considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

g. Post-employment and other employee benefits

The Company has a saving and investment plan under Section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to statement of Profit and Loss in the period in which they accrue.

h. 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.

Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortized cost
- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortized cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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.

This category is the most relevant to the Company. 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 other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange traded funds, trade and other receivables.

The Company intends to hold its investment in open ended target maturity funds (i.e. exchange traded funds/ETF) till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such a strategy mitigates intermittent price volatility in open ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupons and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open-ended target maturity funds meet the requirements of the SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, reversals and foreign exchange gains or losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI Financial assets is reported as interest income using the EIR method.

Financial asset at FVTPL

FVTPL is a residual category for Financial assets. Any Financial asset, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets amortized cost or as at FVTOCI criteria, as at FVTPL. However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 investment as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

i. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

j. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 are adjusted for the effects of all dilutive potential equity shares.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- **Property lease classification – Company as lessor**

  The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Fair value measurement of financial instruments**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. **Refer note 16** for further disclosures.

NOTE 3 : INVESTMENT PROPERTY

Amount in USD Thousands

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block
	As at 1st April, 2025	Additions	Disposal	As at March 31, 2026	As at 1st April, 2025	For during the period	Disposal	As at March 31, 2026	As at March 31, 2026
Freehold land	283	-	-	283	-	-	-	-	283
Land improvements	260	-	-	260	(72)	(9)	-	(81)	179
Buildings	3,482	-	-	3,482	(1,275)	(152)	-	(1,427)	2,055
Total	**4,025**	**-**	**-**	**4,025**	**(1,347)**	**(161)**	**-**	**(1,508)**	**2,517**

Previous year

Amount in USD Thousands

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block
	As at 1st April, 2024	Additions	Disposal	As at March 31, 2025	As at 1st April, 2024	For during the period	Disposal	As at March 31, 2025	As at March 31, 2025
Freehold land	283	-	-	283	-	-	-	-	283
Land improvements	260	-	-	260	(63)	(9)	-	(72)	188
Buildings	3,482	-	-	3,482	(1,122)	(153)	-	(1,275)	2,207
Total	**4,025**	**-**	**-**	**4,025**	**(1,185)**	**(162)**	**-**	**(1,347)**	**2,678**

Information regarding income and expenditure of investment property

Amount in USD Thousands

Particulars	As at 31-Mar-26	As at 31-Mar-25
Rental income derived from investment properties (included in Revenue from operation in note 10)	360	360
Direct operating expenses (including repairs and maintenance) generating rental income	(7)	(49)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	353	311
Less : Depreciation	(161)	(162)
Profit arising from investment properties before indirect expenses	**192**	**149**

The Company's investment properties consist of land and building situated at Schmiede St, Surgoinville, TN 37873, U.S.A .

NOTE 4 : INVESTMENTS IN ASSOCIATES:

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
At Cost		
Unquoted Equity Instruments		
Investment in associates		
Bharat Forge PMT Technologie, LLC.		
Capital Contribution credited in favor of Bharat Forge PMT Technologie, LLC. [17.90% holding (March 31, 2025: 17.90% holding)]	3,768	3,768
Total	**3,768**	**3,768**

NOTE 5 : CASH AND CASH EQUIVALENTS :

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Balances with banks:		
- In Cash Credit and Current accounts	23	46
Total	**23**	**46**

NOTE 6A : TRADE RECEIVABLES :

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Current		
Unsecured		
Considered good (including related party receivables)	1,260	900
Less: Loss allowance	-	-
Net trade receivables	**1,260**	**900**
Of the above, trade receivables from related parties are as below:		
Trade receivables due from related parties	1,260	900
Less: Loss allowance	-	-
Net trade receivables	**1,260**	**900**

For details due from Related Parties refer Note 14.

Trade receivables ageing schedule

As at March 31, 2026							Amount in USD Thousands
Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good	-	180	180	360	360	180	**1,260**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	-	-	-	-	-
Total	**-**	**180**	**180**	**360**	**360**	**180**	**1,260**

As at March 31, 2025							Amount in USD Thousands
Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
a) Considered good		180	180	360	180	-	**900**
b) Which have significant increase in credit risk	-	-	-	-	-	-	-
c) Credit impaired	-	-	-	-	-	-	-
Total	**-**	**180**	**180**	**360**	**180**	**-**	**900**

NOTE 6B : OTHER FINANCIAL ASSETS :

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Current		
Other receivables	100	100
Total	**100**	**100**

NOTE 7 : OTHER ASSETS :

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Current assets		
Prepaid taxes	**-**	6
Total	-	**6**

NOTE 8 : EQUITY SHARE CAPITAL :

	Amount in USD Thousands	
Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Authorised share capital		
10,000 equity shares of USD 0.01 each	0	0
Issued, subscribed and paid up		
100 equity shares of USD 0.01 each	0	0

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	**As at 31-Mar-26**	**As at 31-Mar-25**
Number of Equity shares At the commencement and at the end of the year	100	100

b) Shares held by holding/ultimate holding company and particulars of shareholders holding more than 5% shares of a class of shares :

100 (31 March 2025 : 100) being 100% equity shares are held by Bharat Forge America, Inc. the company's holding company.

c) Details of shareholders holding of promoters

Particular	**31-Mar-26**		**31-Mar-25**	
	No of shares held	**% of shareholding**	**No of shares held**	**% of shareholding**
Promoters name				
Bharat Forge America, Inc.	100	100%	100	100%

d) Percentage change in shares held by promoters

Particulars	**31-Mar-26**	**31-Mar-25**
Bharat Forge America, Inc	0%	0%

e) Terms / rights attached to equity shares

The company has only one class of issued equity shares having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

f) Information regarding issue of shares in the last five years

(i) The Company has not issued any shares without payment being received in cash.

(ii) The Company has not issued any bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

NOTE 9 : OTHER EQUITY :

Particulars	As at 31-Mar-26	As at 31-Mar-25
	Amount in USD Thousands	
Additional capital contribution		
At the commencement and at the end of the year	**4,677**	**4,677**
Retained Earnings		
At the commencement of the year	2,225	2,115
Net profit for the year	80	110
At the end of the year	**2,305**	**2,225**
Total	**6,982**	**6,902**

Additional capital contribution

Additional capital contribution is used to record the premium on issue of shares.

Retained Earnings

Retained Earnings represents the balance undistributed profit / (loss) of the company as on Balance sheet date.

NOTE 10 : REVENUE FROM OPERATIONS :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Sale of services	360	360
Total	360	360

a) Disaggregation of revenue

Revenue disaggregation by nature of services is as follows:

Nature of Services	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Income from renting land and building	360	360
Total	**360**	**360**

Revenue disaggregation by geography is as follows:

Geography	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
USA	360	360
Total	**360**	**360**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Contracted transaction for the year	360	360
Less: Adjustment for penalties / liquidated damages	-	-
Revenue recognized in the statement of profit and loss for the year	**360**	**360**

1 customer represents 100% of the Company's total revenue during the years ended March 31, 2026 (PY: 1 Customer)

NOTE 11 : EMPLOYEE BENEFITS EXPENSE :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Salaries, wages and bonus	-	47
Contribution to provident and other funds	-	2
Total	-	49

NOTE 12 : FINANCE COST :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Bank Charges	0	-
Total	**0**	**-**

NOTE 13 : OTHER EXPENSES :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Amount in USD Thousands	
Legal and professional fees	6	-
Miscellaneous expenses	1	-
Total	**7**	**-**

NOTE 14 : RELATED PARTY DISCLOSURE :

a) Name of the related party and nature of relationship:-

Name of the Related Party	Extent of holding / Relationship
Bharat Forge Limited	Ultimate Parent Company
Bharat Forge America Inc.	Parent Company
Bharat Forge PMT Technologies, LLC	Associates
Bharat Forge Aluminum USA, Inc.	Affiliates
Key Management Personnel:	
B P Kalyani	Director
S. E. Tandale	Director
Ravindra Nagarkar	Director

b) Transactions with Related Parties: **Amount in USD Thousands**

Particulars	Transactions during the year ended at March 31, 2026	Balance as at March 31, 2026	Balance as at March 31, 2026
	Sale of services	Trade receivables	Other current financial assets
Holding Company			
Bharat Forge America Inc.	-	-	100
Associate Company			
Bharat Forge PMT Technologie, LLC.	360	1,260	-

Previous year:

Particulars	Transactions during the year ended at March 31, 2025	Balance as at March 31, 2025	Balance as at March 31, 2025
	Sale of services	Trade receivables	Other current financial assets
Holding Company			
Bharat Forge America Inc.	-	-	100
Associate Company			
Bharat Forge PMT Technologie, LLC.	360	900	-

NOTE 15 : CONTINGENT LIABILITIES AND COMMITMENTS :

There were no commitments and contingencies existing as at the reporting date to be disclosed.

NOTE 16 : FINANCIAL INSTRUMENTS :

The Company's Board of Directors have an overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2026 were as follows:

Amount in USD Thousands

Particulars	Carrying value				Fair value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets not measured at fair value*							
Cash and cash equivalents (refer note 5)	-	-	23	**23**	-	-	-
Trade receivables (refer note 6A)	-	-	1,260	**1,260**	-	-	-
Other financial assets (refer note 6B)	-	-	100	**100**	-	-	-
Total	**-**	**-**	**1,383**	**1,383**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as at March 31, 2025 were as follows:

Amount in USD Thousands

Particulars	Carrying value				Fair value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets not measured at fair value*							
Cash and cash equivalents (refer note 5)	-	-	46	46	-	-	-
Trade receivables (refer note 6A)	-	-	900	900	-	-	-
Other financial assets (refer note 6B)	-	-	100	100	-	-	-
Total	**-**	**-**	**1,046**	**1,046**	**-**	**-**	**-**

*Financial assets and liabilities includes trade receivables, cash and cash equivalents and other financial assets, whose fair value approximates their carrying amounts largely due to the short term nature of such assets and liabilities. The above does not include investments in associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures"

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company does not have any financial instruments with significant unobservable inputs.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation results are reviewed by Directors.

C. Financial Risk Management

Financial Risk Factors

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, credit risk, liquidity risk.

This note explains the sources of risk to which the Company is exposed to and how the entity manages those risk.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The entity has all transactions in functional currency where all assets and liabilities are denominated in functional currency. Therefore, there is no impact of foreign currency exchange rate fluctuation risk.

(b) Foreign Exchange Contracts

The Company is not exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments as company does not have Foreign exchange contracts.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally deposits money in banks with high credit ratings assigned by international and domestic credit rating agencies.

Credit Risk Exposure

The carrying amount of financial assets represents the minimum credit exposure.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses financial position at each reporting date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per 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.

NOTE 17 : BASIC AND DILUTED EARNING PER SHARE :

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Nominal value per equity share	0	0
Profit/(loss) after tax for the year	80	110
Profit attributable to equity shareholders	**80**	**110**
	No. of Shares	**No. of Shares**
Weighted average number of equity shares	100	100
Weighted average number of diluted equity shares	100	100
Earning Per Share- Basic (in USD)	**800**	**1,102**
Earning Per Share- Diluted (in USD)	**800**	**1,102**

NOTE 18 : DEFERRED TAX :

The following is the analysis of deferred tax assets presented in the balance sheet:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax assets	-	-
Deferred tax liabilities	708	596
Deferred tax liabilites (net)	**708**	**596**

The tax effect of significant timing differences that has resulted in deferred tax Liabilities are given below:

Amount in USD Thousands

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	596	557
Recognized in Profit and loss	112	39
Recognized in OCI	-	-
Closing balance	**708**	**596**

NOTE 19 : SEGMENT REPORTING:

The Company has identified "Leasing of Commercial Premises" as the only reportable operating segment for allocation of resources assessing performance and there are no other operating segments identified. All assets of the Company and source of revenue is within America and hence no separate geographic segment is identified. The major customers whose revenues are more than 10% of the reportable segment have been disclosed.

For and on behalf of the Board of Directors of
Bharat Forge Tennessee, Inc.

S. E. Tandale
Director
Date: 6th May, 2026

Ravindra Nagarkar
Director
Date: 6th May, 2026

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Kalyani Mobility Inc.

Registered Office
160, Mine lake Court, Suite 200, Raleigh, NC 27615, U.S.A.

Special Purpose Balance Sheet

for Consolidation Purposes as at 31st March, 2026

(In USD)

		Notes	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-current assets**			
a)	Investments	4	**6,711,708**	23,532,927
b)	Current tax asset		**5,000**	-
			6,716,708	23,532,927
2	**Current assets**			
a)	Financial assets			
i)	Cash and cash equivalents	5	**269,041**	417,690
			269,041	417,690
	TOTAL :		**6,985,749**	23,950,617
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
a)	Equity share capital	6	**-**	-
b)	Other equity	7	**6,975,817**	23,671,926
			6,975,817	23,671,926
2	**Current liabilities**			
a)	Financial Liabilities			
i)	Trade payables	8	**1,335**	268,930
ii)	Other Financial liabilities	9	**-**	9,284
b)	Current tax liabilities		**8,597**	477
			9,932	278,691
	TOTAL :		**6,985,749**	23,950,617

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

On behalf of the Board of Directors of
Kalyani Mobility Inc.

Amit Kalyani
Director

Ravindra Nagarkar
Director

Place : Pune
Date : 30th April, 2026

Special Purpose Statement of Profit and Loss

for consolidation purposes for the year ended 31st March, 2026

(In USD)

		Notes	Year ended 31st March, 2026	Year ended 31st March, 2025
I.	**Revenue From operations**		**-**	-
II.	**Other income**	10	**173,528**	-
	Total Revenue		**173,528**	-
III.	**Expenses**			
	Other expenses	11	**5,608**	44,397
	Total expenses		**5,608**	44,397
IV.	**Profit/(Loss) before tax**		**167,920**	(44,397)
V.	**Tax expenses**	12	**42,811**	30,316
VI.	**Profit/(Loss) for the year**		**125,109**	(74,713)
VII.	**Other comprehensive income**		**(16,821,219)**	3,257,975
VIII.	**Total comprehensive income for the year (VI+VII)**		**(16,696,110)**	3,183,262

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

On behalf of the Board of Directors of
Kalyani Mobility Inc.

Amit Kalyani
Director

Ravindra Nagarkar
Director

Place : Pune
Date : 30th April, 2026

Special Purpose Statement of Changes in Equity

for consolidation purposes for the year ended 31st March, 2026

(A) Equity share capital

	Nos.	(In USD)
Balance as at 31st March, 2025	**475,010**	**-**
Issue of equity share capital during the period	**-**	**-**
Balance as at 31st March, 2026	**475,010**	**-**

(B) Other equity (In USD)

	Capital Contribution	Instrument of equity nature through OCI	Retained Earnings	Total
Balance as at 31st March, 2025	17,831,999	11,756,321	(5,916,394)	**23,671,926**
Capital Contribution during the year	-	-	-	**-**
OCI for the year	-	(16,821,218)	-	**(16,821,218)**
Loss for the year	-	-	125,109	**125,109**
Balance as at 31st March, 2026	**17,831,999**	**(5,064,897)**	**(5,791,285)**	**6,975,817**

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

On behalf of the Board of Directors of
Kalyani Mobility Inc.

Amit Kalyani
Director

Ravindra Nagarkar
Director

Place : Pune
Date : 30th April, 2026

Special Purpose Cash Flow Statement

for consolidation purposes for the year ended 31st March, 2026

(In USD)

		Year ended 31st March, 2026	Year ended 31st March, 2025
(A)	**Cash flow from operating activities**		
	Profit before tax	**167,920**	(44,397)
	Operating loss before working capital changes	**167,920**	(44,397)
	Movements in working capital :		
	Increase / (decrease) in trade payables	**(267,595)**	(431,002)
	Increase / (decrease) in other financial liabilities	**(9,284)**	(1,244,056)
	(Increase) / decrease in other non current assets	**-**	1,558,028
		(276,879)	(117,030)
	Cash generated from operations	**(108,959)**	(161,427)
	Direct taxes paid (net of refunds)	**(39,690)**	(49,391)
	Net cash flows from operating activities	**(148,649)**	(210,818)
(B)	**Cash flows from investing activities**	**-**	-
(C)	**Cash flows from financing activities**	**-**	-
(D)	**Net increase in cash and cash equivalents**	**(148,649)**	(210,818)
(E)	**Cash and cash equivalents at the beginning of the year**	**417,690**	628,508
(F)	**Cash and cash equivalents at the end of the year**	**269,041**	417,690

Cash and cash equivalents

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Balances with banks in current accounts	**269,041**	417,690
TOTAL :	**269,041**	417,690

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

On behalf of the Board of Directors of
Kalyani Mobility Inc.

Amit Kalyani
Director

Ravindra Nagarkar
Director

Place : Pune
Date : 30th April, 2026

Notes Forming Part of the Special Purpose Financial Statements

for the year ended 31st March, 2026

1 GENERAL INFORMATION:

Kalyani Mobility, Inc. (hereinafter referred to as "KMI" or the "Company") was incorporated in the State of North Carolina on 27th September, 2019. Kalyani Powertrain Limited ("KPTL" or "parent company") holds 99.9979% shares of the Company, the remaining 0.0021% is held by Bharat Forge Aluminium USA Inc. Bharat Forge Limited ("Ultimate Parent Company" or "BFL") a publicly listed company in India owns 100% of the equity shares of Kalyani Powertrain Limited. These special purpose financial statements are prepared for inclusion in the annual report of the Ultimate Parent Company, Bharat Forge Limited under the requirements of section 129 (3) of the Companies Act, 2013. These special purpose financial statements have been prepared for the period from i.e. 1st April 2025 to 31st March, 2026.

The Company is set up to support product development for light-weighting and E-mobility business.

2 BASIS OF ACCOUNTING AND PREPARATION OF SPECIAL PURPOSE FINANCIAL STATEMENTS:

These special purpose financial statement is prepared solely for inclusion in the annual report of the Ultimate Parent Company (Bharat Forge Limited) under the requirements of section 129(3) of the Companies Act, 2013.

These special purpose financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter and the provisions of the Companies Act, 2013 (to the extent notified).

The functional currency of the Company is United States Dollar (USD) and the financial statement is also presented in USD. All amounts included in the financial statements are reported in USD except share and per share data, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Current versus non-current bifurcation:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii Held primarily for the purpose of trading,

iii Expected to be realised within twelve months after the reporting period, or

iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

i It is expected to be settled in normal operating cycle,

ii It is held primarily for the purpose of trading,

iii It is due to be settled within twelve months after the reporting period, or

iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3.2 Foreign currency transactions and translations :

The functional currency of the Company is United States Dollar (USD). These financial statements are presented in USD.

Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities. Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Net gain relating to translation or settlement of borrowings denominated in foreign currency are reported within Other income. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

3.3 Fair value measurement :

The Company measures financial instruments at fair value at each balance sheet 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:

i In the principal market for the asset or liability, or

ii In the absence of a principal market, in the most advantageous market for the asset or liability.

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 economic best interest. 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 financial statements 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:

i Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii 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 financial statements 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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.

3.4 Impairment of Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. 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. When 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.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.5 Provisions, Contingent Liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance

contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.6 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 Asset :

a) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost

ii Debt instruments at fair value through other comprehensive income (FVTOCI)

iii Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv Equity instruments measured at fair value through other comprehensive income (FVTOCI)

c) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii 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.

This category is the most relevant to the Company. 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.

d) Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

e) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

f) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 FVTOCI, 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 FVTPL category are measured at fair value with all changes recognized in the P&L.

g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i The rights to receive cash flows from the asset have expired, or

ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

h) 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:

i Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii Financial assets that are debt instruments and are measured as at FVTOCI

iii Lease receivables under Ind AS 116

iv Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

v Loan commitments which are not measured as at FVTPL

vi Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i 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.

ii 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 statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

The balance sheet presentation for various financial instruments is described below:

i Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. 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.

ii Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

B Financial liabilities :

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include 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 into 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. Gains or losses on liabilities held for trading are recognised in the 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 risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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 statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii 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.

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 statement of profit and loss.

iii Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee

contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

c) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

3.7 Cash and cash equivalents :

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.8 Dividend to equity holders :

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.9 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Board of Directors that makes strategic decisions.

3.10 Earnings per share:

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.11 Income tax :

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognised to the extent 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 income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 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 tax assets and deferred taxes relate to the same taxation authority.

3.12 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

3.13 Use of estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

4 INVESTMENTS (NON-CURRENT)

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Investments designated as at fair value through OCI (FVTOCI):		
Instruments of equity nature		
1,30,54,324 Preferred Stock having par value $ 0.00001 of Harbinger Motors Inc.	-	21,970,428
1,30,54,324 Class A Common Stock having par value $ 0.00001 of Harbinger Motors Inc.	**6,266,076**	-
9,28,401 Class A Common Warrants in Harbinger Motors Inc.	**445,632**	1,562,499
TOTAL :	**6,711,708**	23,532,927

5 CASH AND CASH EQUIVALENTS

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
In current accounts	**269,041**	417,690
TOTAL :	**269,041**	417,690

6 EQUITY SHARE CAPITAL

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Authorised		
5,00,000 shares of Common Stock having no par value	-	-
Issued, subscribed and fully paid-up		
4,75,010 shares of Common Stock having no par value	-	-
TOTAL :	**-**	-

7 OTHER EQUITY

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Capital Contribution		
Balance as per last financial statement	**17,831,999**	17,831,999
Add: Capital contribution during the period	**-**	-
Closing Balance	**17,831,999**	17,831,999
Instrument of equity nature through OCI		
Balance as per last financial statement	**11,756,321**	8,498,346
Add: Arising during the period	**(16,821,218)**	3,257,975
Closing Balance	**(5,064,897)**	11,756,321
Retained earnings		
Balance as per last financial statement	**(5,916,394)**	(5,841,681)
Add: Profit for the period	**125,109**	(74,713)
Closing balance	**(5,791,285)**	(5,916,394)
Total Other Equity	**6,975,817**	23,671,926

8 TRADE PAYABLES

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Trade Payable	**1,335**	268,930
TOTAL :	**1,335**	268,930

Trade payables Ageing Schedule (In USD)

	As at 31st March, 2026	As at 31st March, 2025
Undisputed dues towards other creditors		
Not due	**-**	-
Less than 1 year	**1,335**	114,244
1-2 years	**-**	154,686
2-3 years	**-**	-
More than 3 years	**-**	-
TOTAL :	**1,335**	268,930

9 OTHER FINANCIAL LIABILITIES (CURRENT)

(In USD)

	As at 31st March, 2026	As at 31st March, 2025
Other liabilities	-	9,284
TOTAL :	-	9,284

10 OTHER INCOME

(In USD)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Liabilities no longer required written back	**173,528**	-
TOTAL :	**173,528**	-

11 OTHER EXPENSES

(In USD)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Legal and professional fees	-	122,388
Exchange Gain (Net)	-	(100,102)
Miscellaneous Expenses	**5,608**	22,111
TOTAL :	**5,608**	44,397

12 TAX EXPENSES

(In USD)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Current Tax	**34,597**	25,477
Taxation for earlier years	**8,214**	4,839
TOTAL :	**42,811**	30,316

13 SEGMENT INFORMATION

The Board of Directors of the Company evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. Accordingly, the Company's operations are considered to constitute a single segment in the context of Ind AS 108 Segment Reporting.

14 RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

a) Holding Company	Kalyani Powertrain Limited
b) Fellow subsidiaries	Bharat Forge Aluminium USA, Inc.
c) Key management personnel	i) Amit Kalyani (Director) ii) Ravindra Nagarkar (Director) iii) Krishan Kohli (Director) **(Resigned w.e.f. 17th July, 2024)** iv) Sunil Kulkarni (Director) **(Resigned w.e.f. 08th July, 2025)**

(ii) Related parties with whom transactions have taken place during the year

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended 31st March, 2026	Year ended 31st March, 2025
1	**Reimbursement of expenses Paid**	**Fellow subsidiaries**		
		Bharat Forge Aluminium USA, Inc.	**2,500.00**	**-**

(iii) Balances outstanding (In USD)

Sr. No.	Nature of Transaction	Name of the related parties and nature of relationships	As at 31st March, 2026	As at 31st March, 2025
1	**Trade payables**	**Fellow subsidiaries**		
		Bharat Forge Aluminium USA, Inc.	**-**	104,687

Note : All the transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

15 EARNING PER SHARE (EPS)

(In USD)

	Year ended 31st March, 2026
Profit for the year attributable to shareholders	**125,109**
Weighted average number of shares [Common Stock having no par value]	**475,010**
Basic earning per share	**0.26**
Diluted earnings per share	**0.26**

16 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following significant judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note no. 18 and 19 for further disclosures.

b) Current / Non-Current Classification

The Company evaluates funds requirement on the basis of internal budgets and forecasts and believes that on the basis of current scale of operations and cash realisation cycle, it would be able to generate sufficient funds from operations in order to meet such requirement in the foreseeable future of upto one year.

c) Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Actual amounts available for offset depend upon ascertainment by tax authorities in assessments of the Company. The Company will be able to offset tax losses and allowances only to the extent of availability of adequate taxable income within the time permissible as per the taxing legislations.

17 FINANCIAL INSTRUMENTS BY CATEGORY

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

(In USD)

	Carrying value		Fair value	
	As at 31st March, 2026	As at 31st March, 2025	**As at 31st March, 2026**	As at 31st March, 2025
I) Financial assets				
Measured at amortised costs				
Cash and cash equivalents	**269,041**	417,690	**269,041**	417,690
Measured at FVTOCI				
Investments	**6,711,708**	23,532,927	**6,711,708**	23,532,927
TOTAL :	**6,980,749**	23,950,617	**6,980,749**	23,950,617
II) Financial liabilities				
Measured at amortised costs				
Trade payables	**1,335**	268,930	**1,335**	268,930
Other Financial liabilities	**-**	9,284	**-**	9,284
TOTAL :	**1,335**	278,214	**1,335**	278,214

For trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

18 FAIR VALUE HIERARCHY

(In USD)

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31st March, 2026				
Financial assets at FVTOCI				
Investments in instruments of equity nature	-	-	**6,711,708**	**6,711,708**
As at 31st March, 2025				
Financial assets at FVTOCI				
Investments in instruments of equity nature	-	-	23,532,927	23,532,927

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy for valuation of Investment in instrument of equity nature of Harbinger Motors Inc. using Guideline public company method is TEV/NTM Total Revenues multiple. 10% increase/(decrease) in multiple would result in increase/(decrease) in fair value per share by USD 0.05.

19 FINANCIAL RISK MANAGEMENT DISCLOSURE

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment in equity instruments.

i) Foreign Currency Risk

The Company operates internationally and a major portion of its business is transacted in USD. Consequently, the Company is not exposed to foreign exchange risk.

ii) Interest Rate Risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Since, there are no short-term investments or short-term borrowing, the Company is not expose to significant interest rate risk.

iii) Equity price risk

The Company is exposed to price risk in equity investments classified on the balance sheet as fair value through Other comprehensive income. Reports on the financial information of these entities are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

At the reporting date, the exposure to unlisted equity securities at carrying value was USD 67,11,708 (Previous year : 2,35,32,927/-).

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to the credit risk as it does not have any trade

or other receivables or any other financial instrument.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations as they fall due, due to insufficient availability of cash or cash equivalents. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs.

The table below summarises the maturity profile of the Company's financial liabilities (In USD)

	Less than 1 year	1 year to 5 years	> 5 years	Total
Year ended 31st March, 2026				
Trade payables	**1,335**	**-**	**-**	**1,335**
Other financial liabilities	**-**	**-**	**-**	**-**
	1,335	**-**	**-**	**1,335**
Year ended 31st March, 2025				
Trade payables	268,930	-	-	268,930
Other financial liabilities	9,284	-	-	9,284
	278,214	-	-	278,214

20 There are no capital commitments and contingent liabilities as at 31st March, 2026.

As per our attached report of even date,
For **P V Deo & Associates LLP,**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

On behalf of the Board of Directors of
Kalyani Mobility Inc.

Amit Kalyani
Director

Ravindra Nagarkar
Director

Place : Pune
Date : 30th April, 2026

Independent Auditor's Report

To the Board of Directors of Kalyani Mobility, Inc.

REPORT ON AUDIT OF SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of **Kalyani Mobility, Inc.** ("the Company") which comprise the Balance Sheet as at 31st March, 2026 and the Statement of Profit and Loss for the year ended, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements'). The Special Purpose Financial Statements have been prepared by the Management of the Company for the purpose of inclusion in the annual report of the Ultimate Holding Company (Bharat Forge Limited) under the requirements of section 129(3) of the Companies Act, 2013. These financial statements may not be useful for any other purposes.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Basis of Preparation

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the basis of preparation of the special purpose financial statements. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Distribution or Use

This report is intended solely for the information of the Company's board of directors for inclusion in the annual report of the Ultimate Holding Company (Bharat Forge Limited) under the requirements of section 129(3) of the Companies Act, 2013 and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, the Company's board of directors, for our audit work, for this report, or for the opinions we have formed.

For **P V Deo & Associates LLP**
Chartered Accountants
FRN : W100637

Mukund P. Joshi
Partner
Membership No. 190217
UDIN : 26190217OCNEFN5702

Place : Pune
Date : 30th April, 2026

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Mécanique Générale Langroise

Registered Office
Rue du Stade, 52200 Saints Geosmes, France

Assets

Assets	Gross	Depr.Prov.	At 31/12/2025 Net	At 31/12/2024 Net
Uncalled capital				
FIXED ASSETS				
Intangible assets				
Set-up costs				
Research and Development costs				
Concessions, patents, licences and similar rights				
Goodwill				
Other intangible assets	77,424	76,675	749	6,515
Adv. and payments on account in respect of intangible assets				
Tangible assets				
Land	72,328		72,328	72,328
Buildings	3,411,996	2,969,026	442,970	504,446
Plant & machinery, fixtures, fitting, tools & equipments	3,013,178	2,427,788	585,390	221,832
Other tangible assets	429,566	401,139	28,427	47,822
Tangible assets in progress				
Advances and payments on account				
Investments				
Investments accounted for using the equity method				
Other categories of participating interest	15		15	15
Receivable from subsidiaries				
Long-term securities				
Other long-term investments				
Loans				
Other financial assets	93		93	93
TOTAL (I)	**7,004,600**	**5,874,629**	**1,129,972**	**853,052**
CURRENT ASSETS				
Stocks and work in progress				
Raw materials, other supplies	591,487	37,713	553,775	585,647
Work in progress (goods)				
Work in progress (services)	350,256		350,256	267,123
Semi-finished and finished goods				
Goods for sale				
Advances and payments on account on orders	2,594		2,594	

Assets			At 31/12/2025	At 31/12/2024
	Gross	Depr.Prov.	Net	Net
Debtors				
Trade receivables	1,332,531	15,947	1,316,585	1,548,631
Other debtors	56,007		56,007	21,718
Unpaid called up share capital				
Marketable securities				
Own shares				
Other securities	1,539,900		1,539,900	1,763,411
Financial future market securities				
Cash at bank and in hand	**1,876,612**		**1,876,612**	**1,504,888**
Prepaid expenses	**28,292**		**28,292**	**28,586**
TOTAL (II)	**5,777,681**	**53,659**	**5,724,021**	**5,720,004**
Deffered charges (III)				
Redemption bond premium (IV)				
Unrealized exchange losses (V)				
TOTAL ASSETS (I à V)	**12,782,281**	**5,928,288**	**6,853,993**	**6,573,056**

Equity and Liabilities

Equity and Liabilities	At 31/12/2025	At 31/12/2024
	Net	Net
CAPITAL AND RESERVES		
Share capital paid-in : 600,000	600,000	600,000
Share premium account		
Revaluation reserve		
Differences on assets assessed on equity method		
Reserves :		
- Legal reserve	60,000	60,000
- Statutory and contractual reserves		
- Regulated reserves		
- Other reserves	4,152,638	2,938,154
Retained profit / losses		
Profit / Loss for the financial year	836,128	1,214,484
Grants for capital expenditures	53,808	63,879
Tax-regulated provisions		
TOTAL (I)	**5,702,574**	**4,876,517**
OTHER SHAREHOLDERS' EQUITY		
Income from profit-sharing securities		
Conditional advances		
Other		
TOTAL (I bis)		
PROVISIONS FOR CONTINGENCIES AND LIABILITIES		
Provisions for contingencies		
Provisions for liabilities		
TOTAL (II)		
FINANCIAL DEBTS		
Convertible debenture loans		
Other debenture loans		
Bank loans and overdrafts	151,260	327,474
Other loans and financial liabilities		
Advances and payments received on account		
Trade payables	312,012	306,826
Tax and employee-related liabilities	688,148	1,062,239
Fixed assets creditors		
Other creditors		
Financial future market securities		
Deferred income		
TOTAL (III)	**1,151,419**	**1,696,540**
Unrealized exchange gains (IV)		
TOTAL EQUITY and LIABILITIES (I à IV)	**6,853,993**	**6,573,056**

Including current bank loans and bank overdrafts

Income Statement

for the period from January 1 to December 31, 2025

	France	Export	At 31/12/2025 Total	At 31/12/2024 Total
			EUR	EUR
Operating Income				
Sales of Goods				
Sales of processed goods		43,300	43,300	78,811
Sales of services	6,574,774	1,056,991	7,631,765	7,852,252
	6,574,774	**1,100,291**	**7,675,065**	**7,931,063**
Change in stocks of finished goods			83,133	(157,489)
Own work capitalised			-	-
Operating grants			10,071	-
Reversal of depreciations, provisions and cost recharge			37,504	33,024
Other operating incomes			2,332	14
Total I			**7,808,105**	**7,806,611**
Operating expenses				
Purchase of goods				
Change in stocks of goods				
Purchase of raw materials and consumables			1,318,870	1,135,333
Change in stocks of raw materials and consumables			11,429	101,353
Other external expenses			1,665,173	1,855,771
Taxes			145,814	140,070
Wages and salaries			2,421,807	2,044,070
Social contributions			952,239	815,001
Amortization and depreciation increase on fixed assets			235,274	219,610
Provision increase				
- on fixed assets			-	-
- on current assets			37,713	35,217
- for contingencies and liabilities			-	-
Other operating expenses			24,505	2,633
Total II			**6,802,825**	**6,349,059**
***Including**				
- Equipment Leasing			**210,229**	**197,165**
- Real property leasing				
Operating income (I – II)			**1,005,280**	**1,457,552**

	France	Export	At 31/12/2025 Total	At 31/12/2024 Total
			EUR	EUR
Results from participation in Joint ventures				
- Profit alloted or Loss transferred		III	85,000	
- Loss alloted or Profit transferred		IV	12,502	
Financial income				
- Financial income from investments				
- Income from securities and other fixed assets investments				
- Other interest and financial income			38,488	35,584
- Reversal of provisions and cost recharge				
- Gains on exchange adjustments				
- Net income from disposals of marketable securities				
Total V			**38,488**	**35,584**
Financials expenses				
Depreciation and provision expenses				
Interests and other financial expenses			1,668	2,894
Losses on exchange adjustments				
Net losses from disposals of marketable securities				
Total VI			**1,668**	**2,894**
Financial result (V – VI)			**36,821**	**21,690**
Income Before tax and extraordinary items (I – II + III – IV + V – VI)			**1,114,599**	**1,490,242**
Non-recurring income				
Non-recurring income on operational transactions			-	-
Non-recurring capital gains			-	10,135
Reversals of provisions, depreciation and transfers of expenses			-	56,381
Total VII			**-**	**66,516**
Non-recurring expenses				
Non-recurring expense on operational transactions			-	1,026
Non-recurring capital losses			-	582
Non-recurring amortization, depreciation / impairment and provisions			-	-
Total (VIII)			**-**	**1,608**
Non-recurring profit (VI – VIII)			**-**	**64,908**
Employee profit sharing (IX)				
Corporate income tax (X)			278,471	340,666
Total income (I + III + V + VII)			**7,931,594**	**7,908,711**
Total expenses (II + IV + VI + VIII + IX + X)			**7,095,466**	**6,694,227**
Profit or Loss (Total income – Total expenses)			**836,128**	**1,214,484**

(1) including income for prior financial years
(2) including expenses for prior financial years
(3) including income for affiliated entities
(4) including interes for affiliated entities

Accounting Methods

Annex to the balance sheet and the income statement for the year ended 2025/12/31 whose total assets prior distribution is €6 853 993 and the income statement of the year, presented as a list and a result of 836 128€.

The exercise has a duration of 12 months, covering the period from 01/01/2025 to 31/12/2025.

Notes or tables below are an integral part of the annual accounts.

The annual accounts have been established in accordance with the provisions of the Commercial Code and the general accounting plan (CCP).

General accounting policies have been applied, in respect of the precautionary principle, in accordance with the basic assumptions:

- continuity of operations,
- permanence of accounting from one exercise to another,
- independence exercises,

and in accordance with the General rules of establishment and presentation of the annual accounts. The basic method adopted for the assessment of the elements registered in accounting is the method of historical costs. The main methods used are the following :

Information on the transactions entered in the balance sheet and income statement

Are not mentioned in the annex that the significant information.

Accounting Changes

Effective January 1, 2025, the first-time application of ANC Regulation 2022-06, amending ANC Regulation 2014-03, results in changes to accounting and presentation.

In accordance with Article 27 of the regulation, the items from the previous year (N-1) have been reclassified solely for presentation purposes, to allow for their comparability with the new models. No adjustments have been made to the extraordinary item or to the transfers of expenses from the previous year (N-1).

The main changes involve changes to accounting and presentation.

Regarding accounting changes, the main impacts from fiscal year 2025 onwards are as follows:

- Change to the extraordinary item:

Disposals of fixed assets will be included in operating income in 2025 (or in financial income if they are financial assets), specifically €12,506 in expenses corresponding to the net book value of the assets sold and €85,000 corresponding to the sale prices in 2025.

Proportions of investment grants transferred to the income statement will be included in operating income in 2025 instead of extraordinary income, specifically €10,070 in 2025.

The scope of extraordinary income is limited to major and significant events (other events will now be included in operating income).

- Elimination of expense transfers in operating profit and financial result:

Various re-invoicings are now included in the revenue categories by nature;

Reimbursements received from social security organizations in the event of sick leave, parental leave, or work-related accidents are included as compensation for personnel expenses.

Depreciation

Tangible fixed assets are valued at their cost of acquisition or production, given the costs necessary for the pre-trial stage of use of these goods, and after deduction of the discount shopping, discounts, discounts obtained regulations.

The following decisions have been taken at the level of the presentation of the annual accounts :

- decomposable capital: the company has not been able to define decomposable capital or the decomposition of these does not have significant impact.
- no decomposable assets: the potential gap between periods of depreciation according to the duration of use and period of use has been recorded in derogatory depreciation.

The interest on loans specific to the production of fixed assets are not included in the production cost of these assets. Depreciation for depreciation are calculated according to the linear or degressive modes based on the expected life :

Computer software	- 1 year,
Buildings	- 10 to 20 years,
Building layouts	- 04 to 15 years,
Machinery and industrial equipment	- 01 to 10 years,
Layouts, facilities, facilities	- 03 to 10 years,
Transport equipment	- 04 to 05 years,
Office equipment and computer	- 03 to 10 years.

Participation, other long-term securities, investment securities

The gross value is constituted by the cost of buying out incidentals.

When the inventory value is less than this value, an impairment is made up of the amount of the difference.

Stocks

Inventories are valued according to the method "first in, first out".

The gross value of goods and supplies includes the purchase price and incidental expenses.

The manufactured products are valued at production cost including consumption and direct and indirect production costs, depreciation of goods directly involved in production.

The cost of the sub-activity is excluded from the value of stocks.

Interests are always excluded from the valuation of stocks.

Inventories have, where appropriate, written down to reflect their net realizable value at the date of closing of the accounts. Any more one-time two-year-old is valuated at the price of scrap.

Receivables

The receivables are valued at face value. A depreciation is performed when the inventory value is lower than the book value.

Retirement commitments

The commitments of the company in terms of severance pay to the retirement of its employees amounted to € 86 754. These have not been the subject of recognition in the annual accounts.

The calculation is based on the following parameters:

mortality table: TG05

discount rate: 4% (rate iboxx to 31/12/2025)

the staff turnover rate: 10%

wage growth rate: 2%

Information required by article R.123 - 198-9 (the commercial code)

The total amount of the fees of the auditor contained in the income statement for the year totalled € 37 074 tax-free.

AVERAGE HEADCOUNT

Employee categories	Current year staff	Prior year staff
Executives	4	4
Supervisors and technicians	7	7
Employees		
Workers	37	32
Apprentice under contract		
TOTAL	**48**	**43**

BREAKDOWN OF SHARE CAPITAL

RELEVANT LINE ITEMS	Number	Nominal value	Amount in Euros
1- Share capital at the beginning of the financial year	8,000	75.00000	600,000
2- Shares issued during the financial year			
3- Shares redeemed during the financial year			
4- Share capital at the end of the financial year (1 + 2 - 3)	8,000	75.00000	600,000

FINANCIAL COMMITMENTS

GIVEN COMMITMENTS :

Nature of commitments given	Amount in Euros
Notes receivable discounted	
Warranties, collaterals and guaranties	
Commitments under equipment leases	373,197
Commitments under real estate leases	
Other commitments	139,077
Pension commitments	
TOTAL	**512,274**

FINANCIAL TABLES FOR CURRENT LEASES

	Lands	Buildings	Plant & machinery & equipment	Other tangible assets	TOTAL
Original value:			891,800		891,800
Depreciation:					
Cumulative totals from previous financial years					
Additions during the financial year					
TOTAL					
Theoretical net value					
Rents paid:					
Cumulative totals from previous financial years			299,456		299,456
Amounts from the financial year			210,229		210,229
TOTAL			**509,685**		**509,685**
Future rentals:					
Within one year			197,200		197,200
Between one and five years			175,998		175,998
After more than five years					
TOTAL			**373,198**		**373,198**
Residual value:					
Within one year			1,953		1,953
Between one and five years			6,966		6,966
After more than five years					
TOTAL			**8,919**		**8,919**
Charges booked during the financial year:			210,229		210,229

CHANGES IN EQUITY

Item	Amount
Shareholders' equity Y-1 after profit (loss) and before OGM	4,876,517
Distributions	
Shareholders' equity at the start of the financial year	**4,876,517**
Changes to share capital	
Changes to the business owner account	
Changes to issue, merger, contribution premiums, etc.	
Changes to revaluation reserves	
Changes to statutory or contractual reserves, reserves required under the articles of association and other reserves	1,214,484
Changes to reglated reserves	
Changes to retaned earnings	
Change to investment subsidies and tax-regulated provisions	(10,071)
Appropriation of the profit (loss) for Y-1 to shareholders' equity (excluding distributions)	(1,214,484)
Changes during the financial year	**(10,071)**
Shareholders' equity at the end of the financial year before profit (loss)	**4,866,446**
Profit (loss) for the financial year	836 128
Shareholders' equity at the end of the financial year after profit (loss) but before the annual general meeting	**5,702,573**

FIXED ASSETS

Schedule A

	Gross amount opening balance	Revaluations for the financial year	Increase Acq. Reclassifications Disposals
Intangible assets			
Set-up and research & development costs			
Other intangible assets	74,396		3,028
TOTAL	**74,396**		**3,028**
Tangible assets			
Land	72,328		
Buildings on owned land	2,377,824		
Buildings on leased land			
Building fixtures and fittings	1,004,588		29,584
Plant, machinery and equipment	2,632,149		486,762
Other fixtures and fittings	289,069		1,889
Vehicles	15,303		
Office equipment, computer hardware, furniture	117,983		5,322
Returnable containers and miscellaneous			
Tangible assets in progress	5,850		
Advance payments on fixed assets			
TOTAL	**6,511,133**		**521,668**
Financial assets			
Investments in subsidiaries assessed by the equity method			
Other investments in subsidiaries	15		
Other long-term investments			
Loans and other financial assets	93		
TOTAL	**108**		
GRAND TOTAL	**6,585,637**		**524,697**

Schedule B

	Reductions			Legal reval. or val. by the equity method
	Reclassification	Disposals	Gross amount closing balance	Original value of assets at end of financial year
Set-up and research & development costs				
Other intangible assets			77,424	
TOTAL			**77,424**	
Land			72,328	
Buildings on owned land			2,377,824	
Buildings on leased land				
Building fixtures and fittings			1,034,172	
Plant, machinery and equipment		105,733	3,013,178	
Other fixtures and fittings			290,958	
Vehicles			15,303	
Office equipment, computer hardware, furniture			123,305	
Returnable containers and others				
Tangible assets in progress				
Payment on account				
		105,733	**6,927,068**	
Invt. in subsidiaries assessed by the equity method				
Other investments in subsidiaries			15	
Other long-term investments				
Loans and other financial assets			93	
TOTAL			**108**	
GRAND TOTAL		**105,733**	**7,004,600**	

DEPRECIATION STATEMENT

SCHEDULE A - Situation and changes within the period

	Depreciable assets	Opening balance	Additional allowances	Reductions dispo./Rever	Closing balance
Intangible assets					
Set-up, research and development costs					
Goodwill					
Other intangible assets		67,880	8,795		76,675
TOTAL		**67,880**	**8,795**		**76,675**
Tangible assets					
Land					
Buildings		1,926,689	76,698		2,003,387
Buildings on other people's lands					
Building fixtures and fittings		951,278	14,361		965,639
Plant, machinery and equipment		2,410,317	110,703	93,231	2,427,788
Other fixtures and fittings		280,139	5,796		285,935
Vehicles		15,303			15,303
Office equipment, computer hardware, furniture		80,980	18,922		99,901
Returnable containers and others					
TOTAL		**5,664,705**	**226,480**	**93,231**	**5,797,953**
GRAND TOTAL		**5,732,585**	**235,274**	**93,231**	**5,874,629**

SCHEDULE B - Breakdown of depreciation allowances for the period

	Depreciable assets	Allowances: Straight line Depreciation	Allowances: Decreasing balance Depreciation	Allowances: Exceptionnel Depreciation	Reversals: Straight line Depreciation	Reversals: Decreasing balance Depreciation	Reversals: Exceptionnel Depreciation	Net depreciation mouvements closing balance
Intangible assets								
Set-up, R&D. costs								
Goodwill								
Others intangible assets								
TOTAL								
Tangible assets								
Land								
Buildings								
Buildings on other people's lands								
Buildings fixtures and fittings								
Plant, mach., and equipment								
Other fixtures and fittings								
Vehicles								
Office equip. comput. hardw. Returnable contain. and others								
TOTAL								
GRAND TOTAL								
UNVENTILATED GRAND TOTAL								

SCHEDULE C

	Changes in deferred charges	Opening balance	Additional allowances	Allowances for the period	Closing balance
Deferred charges					
Redemption bond premium					

PROVISIONS

Type of provisions	Amount at the beginning of the financial year	Increases in allowances for the financial year	Deductions taken at the end of the financial year		Amount at the end of the financial year
			Used	Unused	
Tax regulated					
Provisions for reconstitution of mines and oilfields					
Provisions for capital expenditures					
Price increase provisions					
Tax depreciation allowances					
Tax provisions for setting-ups abroad before 01/01/92					
Tax provisions for setting-ups abroad after 01/01/92					
Provisions for set-up loans					
Other tax regulated provisions					
TOTAL I					
Contingencies and liabilities					
Provisions for litigation					
Provisions for warranties given to customers					
Provisions for losses on future market					
Provisions for penalties					
Provisions for exchange losses					
Provisions for pension and similar commitments					
Provisions for taxes					
Provisions for assets renewals					
Provisions for important repairs					
Provisions for social contributions and taxes due on vacation					
Other provisions for contingencies and liabilities					
TOTAL II					
Provisions for loss in value					
On intangible assets					
On tangible assets					
On investments assessed on the equity method					
On shareholding securities					
On other investments					
On stocks and works in progress	17,270	37,713	17,270		37,713
On trade debtors	36,181		20,234		15,947
Other provisions for loss in value					
TOTAL III	**53,450**	**37,713**	**37,504**		**53,659**
GRAND TOTAL (I + II + III)	**53,450**	**37,713**	**37,504**		**53,659**
Including operating allowances and reversals		37,713	37,504		
Including financial allowances and reversals					
Including exceptional allowances and reversals					
Investments assessed on the equity method : allowances for the period					

RECEIVABLES

Receivables (a)	Gross amount	Liquidity of the asset: Payable within 1 year	Liquidity of the asset: Payable after 1 year
Fixed Assets			
Amount receivable from subsidiaries			
Loans (1) (2)			
Other financial assets	93		93
Current Assets			
Doubtful and in dispute trade debtors	19,136	19,136	
Other trade debtors	1,313,395	1,313,395	
Receivables representing borrowed securities			
Employees and related accounts			
Social contributions			
Corporation tax	30,985	30,985	
Value-added tax	23,003	23,003	
Other taxes			
Sundries			
Intercompany and current accounts (2)			
Other debtors (including claims on repurchase agreements)	2,019	2,019	
Prepaid expenses	28,292	28,292	
TOTAL	**1,416,924**	**1,416,830**	**93**

(1) Including loans granted within the period

(1) Including redemptions received within the period

(2) Loans and advances granted to partners

PAYABLES

Payables		Liability's degree of payability		
	Gross amount	Payable within 1 year	Payable in 1 to 5 years	Payable after 5 years
Convertible debenture loans[1]	Convertible debenture loans [1]	Convertible debenture loans [1]		
Other debenture loans[1]				
Bank loans and overdraft[1]				
- Payable over 1 year				
- Payable over more than 1 year	151,260	151,260		
Other loans and financial liabilities [1] [2]				
Trade creditors and related accounts	312,012	312,012		
Employees and related accounts	169,312	169,312		
Social contributions	283,891	283,891		
Corporation tax				
Value-added tax	203,367	203,367		
Guaranteed bonds				
Other taxes	31,579	31,579		
Fixed assets creditors				
Intercompany and current accounts[2]				
Other creditors (including claims on repurchase agreements)				
Liabilities representing borrowed securities				
Deferred income				
TOTAL	**1,151,419**	**1,151,419**		
(1) Loans raised within the period				
(1) Loans redeemed within the period	176,158			
(2) Loans and liabilities raised from partners				

ACCRUED PAYABLES

(Article R123-189 of the French Commercial Code)

Accrued payables included in the following balance sheet items	Financial year ended 31/12/2025	Financial year ended 31/12/2024
Convertible debenture loans		
Other debenture loans		
Bank loans and overdrafts	47.08	103.05
Other loans and financial liabilities		
Trade creditors	64,852.52	71,313.54
Tax and employee-related liabilities	252,822.18	254,808.66
Fixed assets creditors		
Other creditors		
TOTAL	**317,721.78**	**326,225.25**

ACCRUED PAYABLES DETAILS

	Financial year ended 31/12/2025	Financial year ended 31/12/2024
Convertible debenture loans		
Other debenture loan		
Bank loans and overdrafts	**47.08**	**103.05**
16884000 INTERETS COURUS SUR EMPRUNTS ETS CREDIT	47.08	103.05
Other loans and financial liabilities		
Trade creditors	**64,852.52**	**71,313.64**
40810000 FOURNISSEURS FACTURES NON PARVENUES	46,249.52	59,313.54
40812000 FOURNISSEUR FACTURES NON PARVENUES KPMG	18,603.00	12,000.00
Tax and employee-related liabilities	**252,822.18**	**254,808.66**
42820000 DETTES PROVISIONNEES P/CONGES A PAYER	129,749.58	134,978.45
42860000 PERSONNEL AUTRES CHARGES A PAYER	35,830.00	31,790.00
43800000 Taxe d'apprentissage liberatoire	2,126.25	1,721.29
43820000 CHARGES SOCIALES SUR CONGES A PAYER	54,485.46	54,921.22
43860000 CHARGES A PAYER SUR ORGANISM ES SOCIAUX	18,273.00	15,895.00
44820000 CHARGES FISCALES SUR CONGES A PAYER	2,192.89	2,177.95
44860000 ETAT CHARGES A PAYER	10,165.00	13,324.75
Fixed assets creditors and related accounts		
Other creditors		
TOTAL	**317,721.78**	**326,225.25**

PREPAYMENTS AND DEFERRED INCOME

Prepaid Expenses	Financial year ended 31/12/2025	Financial year ended 31/12/2024
Operating expenses	28,292	28,586
Financial expenses		
Non-recurring expenses		
TOTAL	**28,292**	**28,586**

Statutory Auditors' Report on the Financial Statements

For the year ended 31st December 2025

To the single-member company of MGL SAS ,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of MGL SAS for the year ended 2025, 31st December.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 2025. 31st December and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us for the period from 2025, 1st January to the date of our report.

Observation

Without qualifying the opinion expressed above, we draw attention to the effects of the first-time application of ANC Regulation No. 2022-06, as described in the notes to the annual financial statements.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used and the overall presentation of the accounts.

The assessments were made in the context of our audit of the financial statements as a whole; approved in the conditions set out above, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the documents with respect to the financial position and the financial statements provided to the single-member company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the chairman.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Dijon, on the 26th March 2026

French original signed by

Samuel Brunneval
Partner

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