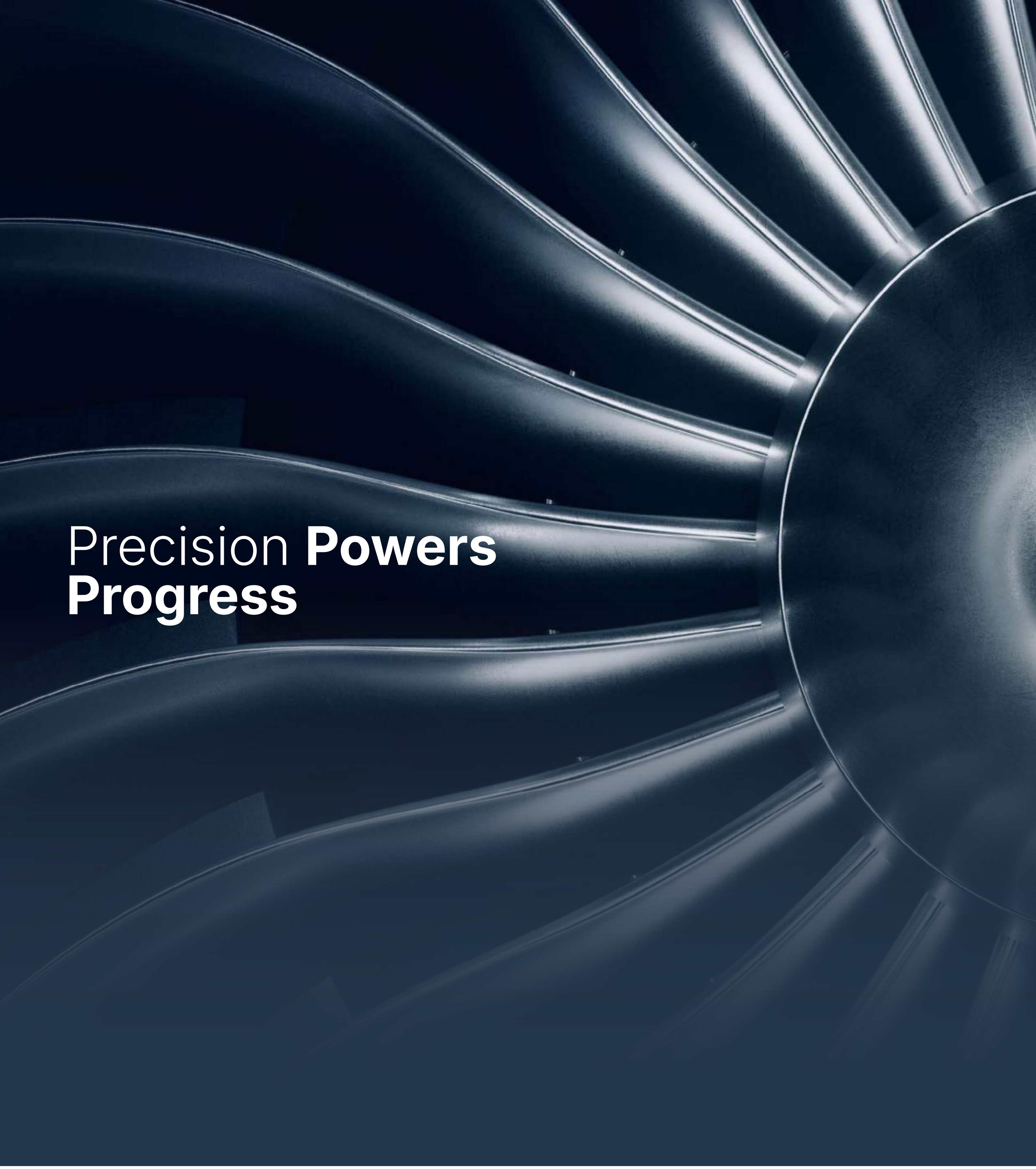

Precision **Powers Progress**

AZAD

Annual Report 2024-25

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About Us

Azad Engineering Limited, founded in 2008 by Mr. Rakesh Chopdar, is a precision engineering company serving the aerospace, defence, power generation, and oil & gas industries worldwide. From the outset, our mission has been to strengthen India's manufacturing ecosystem through world-class infrastructure and process engineering that consistently meet and exceed global benchmarks.

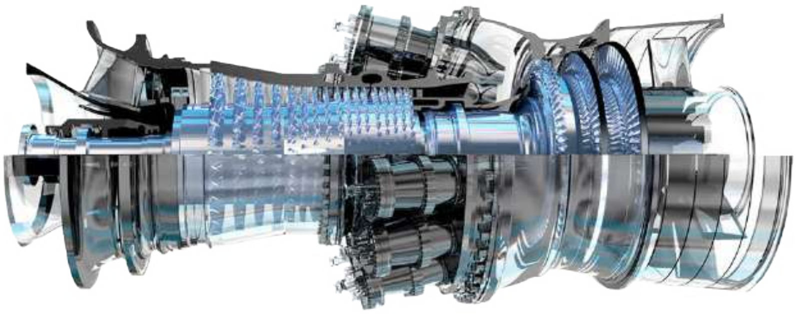
Over the past 17+ years, we have earned a strong reputation as a trusted supplier of mission- and life-critical components for some of the world's most demanding applications. Our deep engineering expertise, advanced manufacturing capabilities, and unwavering commitment to operational excellence enable us to deliver reliability and performance at scale.

Today, Azad Engineering is recognised as a strategic partner to leading global OEMs, powering aviation fleets, energy infrastructure, and defence systems across multiple geographies.

Built on Trust, Shaped by **Partnerships**

Over the years, Azad Engineering has moved beyond business relationships to build long-term strategic partnerships. Our zero-defect culture, adherence to rigorous global quality standards, and ability to execute complex manufacturing programs have earned us the confidence of leading OEMs worldwide. These enduring associations reflect both our reliability and our commitment to shared goals. Whether powering aviation fleets, energy infrastructure, or defence systems, our partners rely on us as an essential part of their value chain.

Azad Engineering is proud to partner with some of the world's most respected Original Equipment Manufacturers (OEMs) and national defence agencies across power generation, aerospace, defence, and oil & gas. By consistently delivering complex, high-precision components with uncompromising reliability, we have earned the trust of industry leaders, including GE Vernova, Mitsubishi Heavy Industries, Rolls-Royce, Honeywell Aerospace, Siemens Energy, Eaton, Baker Hughes, and others.



Precision that **Powers** the Impossible

At the heart of Azad's value proposition lies the ability to deliver precision at a scale few can match. We specialise in complex geometries, advanced materials, and highly demanding applications where system integrity and efficiency are non-negotiable. With a proven portfolio of more than 1,700 qualified parts and 45+ specialised manufacturing processes, our capabilities continue to support the uncompromising standards of the aerospace, defence, oil & gas, and energy sectors.

1,700
Qualified Parts

45+
Specialised Manufacturing Processes

Engineering **a Better Future**

Azad Engineering is uniquely positioned as the only qualified partner in India for several mission and life-critical components that power aerospace, defence, energy, and oil & gas industries. These qualifications are the result of years of rigorous audits, testing, and certifications, and represent one of our strongest competitive moats.

With these foundations now in place, we are ramping up production to meet rising global demand. Backed by long-term contracts, deep OEM relationships, and a strong order backlog, Azad is well prepared to scale execution while continuing to set new benchmarks in precision, reliability, and operational excellence.

Sectors **We Serve**

Azad Engineering operates at the forefront of transformation across three critical sectors—Aerospace & Defence, Energy, and Oil & Gas—all of which are undergoing rapid expansion driven by technological leaps, infrastructure demand, and global realignments. Our precision manufacturing expertise and longstanding OEM partnerships place us in a strong position to gain from this evolving market landscape.

Aerospace & Defence

Industry Opportunity (TAM)

The TAM for aerospace and defence components is projected to grow from ₹99,000 crore in 2022 to ₹153,000 crore in 2027, at a robust 9% CAGR

Commercial aviation demand is surging, with revenue passenger kilometres (RPK) expected to double—from 6 trillion in 2022 to 12 trillion by 2029, driven chiefly by Boeing and Airbus. These two OEMs alone hold over 90% market share, underpinned by a backlog of approximately 15,000 units, 84% of which are narrow-body jets

Azad's Strategic Positioning

We are a trusted partner to leading global aerospace and defence OEMs, delivering mission- and life-critical components such as engine assemblies, APUs, airfoils, actuators, and hydraulic systems. Our portfolio supports a wide range of platforms, including the Boeing 737, Airbus A320 and A350 families, and Gulfstream G550, among others.

In FY25, this segment contributed ₹807 million (17.9% of total revenue), with exceptional 84.1% YoY growth

Energy & Oil & Gas

Industry Opportunity (TAM)

The energy turbine components market (covering gas, thermal, and nuclear power) is estimated to be ₹28,000 crore in 2022, contributing to a broader industry TAM of ₹128,000 crore, which is expected to reach ₹181,000 crore by 2027, growing at 7% CAGR

Azad's Strategic Positioning

In FY25, our Energy & Oil & Gas segment accounted for ₹3,586 million (79% of total revenue), marking a 26% YoY increase

We are a critical precision supplier of compressor airfoils and specialized components to OEMs controlling roughly 75% of the global land-based turbine market

Message from the Chairman & CEO

Engineering Trust. Powering Progress.

Looking ahead, FY26 promises continued momentum. With a solid balance sheet, strong order visibility, growing wallet share in aerospace and energy, and leadership depth across functions, we are well-prepared to capture the next wave of opportunities.

Dear Shareholders,

FY25 was a landmark year for Azad Engineering. It reflects not only our strong financial performance, but also the resilience of our business model, the depth of our capabilities, and the trust we have earned with global partners. In an era shaped by energy transition and geopolitical realignment, we have positioned ourselves as a strategic partner in industries that demand absolute precision, reliability, and zero-defect execution.

We operate where the margin for error is non-existent. From advanced gas turbines to next-generation aircraft, from nuclear platforms to defense propulsion systems, Azad's components are integral to technologies that power and protect the world. FY25 reaffirmed that our role is not peripheral but foundational.

Redefining Precision in Complex Industries

Our Aerospace & Defence vertical delivered standout growth, recording ₹807 million in revenue, a +84.1% YoY increase, and contributing 17.9% of total revenues. Our life critical components today serve critical platforms like the Boeing 737, Airbus A320 and A350 families, and Gulfstream G550, among others, and advanced defense applications. These results are the outcome of long qualification cycles, rigorous audits, and trusted execution over the last so many years.

Our Energy & Oil & Gas verticals continued to anchor the business, contributing ₹3,586 million (79.1% of total revenues) with +26% YoY growth. We remain a key supplier of compressor airfoils, specialized machine parts (SMP), critical machine parts (CMP), along with qualification of critical components for combustion sections as well to OEMs that collectively control nearly three-fourths of the global gas turbine market. Our oil & gas portfolio also advanced, supplying critical components such as drill bits, bonnet frames, slips, and hatch covers for exploration and midstream systems worldwide.

Together, these verticals reinforce Azad's positioning as a Tier-1 global supplier for mission- and life-critical industries.

Execution Driving Growth

FY25 was defined by disciplined execution. We delivered ₹4,529.3 million in revenue, representing 32.9% year-over-year growth, alongside an EBITDA of ₹1,645.7 million at a 36.3% margin. Profit after tax grew 51% YoY to ₹885.3 million, reflecting efficiencies from operating leverage, lean practices, and better asset utilization. Exports accounted for 91.9% of revenue, underscoring our global footprint.

Beyond the numbers, the real story lies in our ability to win, secure, and execute programs with some of the world's most demanding customers. Long-term contracts with GE Vernova, Mitsubishi Heavy Industries, Siemens Energy, Rolls-Royce, Honeywell, and the DRDO-backed GTRE validate our role in global supply chains. Our robust ₹6,000+ crore order book which comprises of long-term contracts provides visibility and reflects the confidence our partners place in us.

Scaling with Purpose, Investing with Foresight

In FY25, we strengthened our foundations for the future. A dedicated lean manufacturing facility for Mitsubishi Heavy Industries was inaugurated in March 2025, while the GE Vernova facility, inaugurated in April 2025 (FY26), was substantially completed during FY25. These customer-specific plants showcase our ability to align closely with global OEMs and scale with agility.

We also successfully raised ₹700 crore through a Qualified Institutional Placement (QIP). This infusion is enabling investments in advanced machinery, digital process controls, and expanded capacity. More importantly, it positions us to increase wallet share in verticals where qualifications are complete, deepen OEM integration, and lay a solid foundation for sustained growth.

To support this next phase, we have onboarded seasoned leaders across engineering, operations, supply chain, and corporate functions—strengthening the management team and enhancing execution capability as complexity scales.

Building Enduring Partnerships

Our partnerships with global OEMs have evolved into enduring, multi-program engagements built on trust and performance. In FY25, this commitment was recognised through several prestigious accolades — Global Partner of the Year from Mitsubishi Heavy Industries, multiple awards for operational excellence from GE Vernova, and the Strategic Partner Award from Siemens Energy. These honours reaffirm the confidence our customers place in us and underscore our ability to deliver reliably on complex programs that extend across decades.

Innovation, Responsibility, and the Road Ahead

Innovation remains central to our strategy. Our upcoming **Centre of Excellence** will drive advanced precision research, technology development, and workforce upskilling—ensuring we stay ahead of evolving industry requirements. At the same time, our commitment to responsible growth is unwavering. Through sustainability initiatives and BRSR disclosures, we continue to focus on environmental stewardship, inclusivity, and community engagement.

Looking ahead, FY26 promises continued momentum. With a solid balance sheet, strong order visibility, growing wallet share in aerospace and energy, and leadership depth across functions, we are well-prepared to capture the next wave of opportunities.

A Future We Are Ready For

At Azad, we understand that being mission-critical and life-critcal is both a privilege and a responsibility. Every component we deliver must perform flawlessly, often under the most extreme conditions. This culture of precision and accountability defines who we are and how we grow. As we close this milestone year, I extend my deepest gratitude—to our shareholders for their trust, our customers for their partnership, our auditor, suppliers and bankers for their support, the regulators for their guidance, and above all, to Team Azad for their dedication and excellence. Together, we will chart the next phase of Azad Engineering's journey—with clarity, responsibility, and purpose.

Sincerely,

Rakesh Chopdar
Chairman & Chief Executive Officer

A Year of Consolidation and Forward **Momentum**

FY25 was more than a year of record numbers—it was a year of strategic consolidation. With marquee contracts secured, dedicated facilities inaugurated, a strengthened balance sheet, and an expanded leadership team, Azad has laid a solid foundation for the future. As it scales capacity and wallet share in segments where qualifications are now complete, the company is well positioned to capitalize on opportunities across aerospace, defence, energy, and oil & gas.

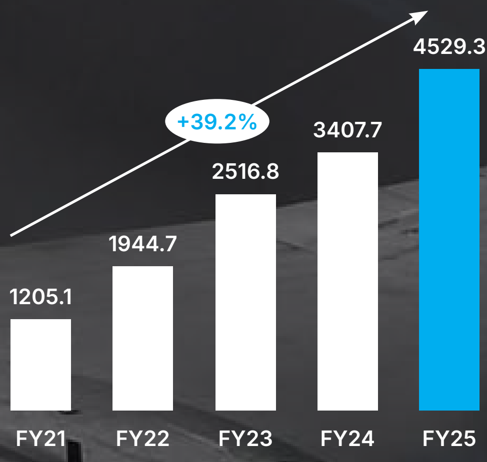
Growth Metrics & Performance Snapshot

Product and Process Capabilities: Over 1,700 qualified parts and 45+ manufacturing processes, demonstrating our industry leadership and entry barriers

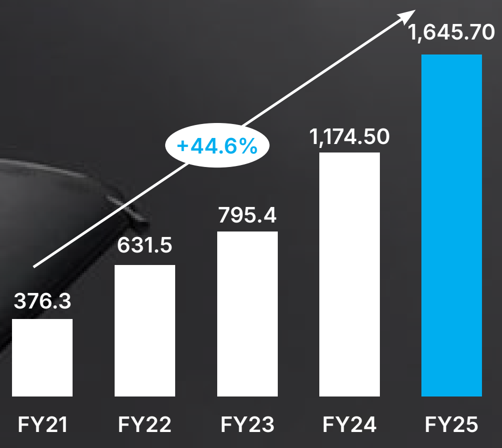
Order Visibility: Our order book stands at ₹6,080 crore, comprising long-term contracts that provide strong execution visibility. Of this, approximately ₹3,500 crore is from the Energy segment, ₹1,720 crore from Aerospace & Defence, and ~₹850 crore from Oil & Gas

Financial Growth (In Rs. Mn)

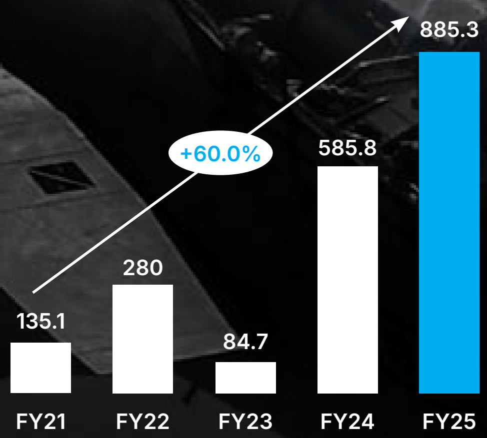
Revenue From Operations



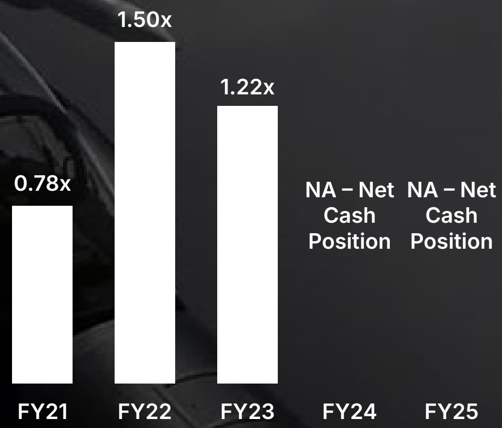
Adj. EBITDA* & EBITDA Margin



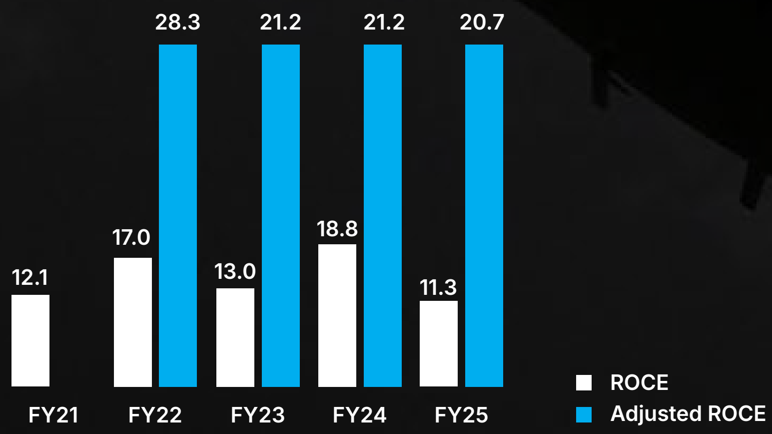
PAT and PAT Margin



Net Debt to Equity



Adj. Return on Capital Employed (%)



Notes: Amounts are rounded off; Adjusted EBITDA is calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss; ; Adjusted ROCE % = Adjusted EBIT / Adjusted average capital employed (Excluding CWIP, Advances towards CAPEX, Cash and Bank Postition) Margins are calculated as a percentage of revenue from operations

Highlights of FY25

FY25 was a landmark year for Azad Engineering, delivering the company's best-ever financial performance while also making strategic investments in capacity, strengthening global partnerships, and expanding its footprint across mission- and life-critical industries. The year showcased not just operational execution, but also the company's ability to secure long-term visibility through marquee order wins, deepen customer engagement, and build for the next phase of growth.

Strong Order Wins Bolster Visibility

Azad closed FY25 with a robust order book which includes long-term contracts exceeding ₹60,000 million, providing strong visibility into future revenues and underlining its growing embeddedness in global supply chains. During the year, the company secured several significant long-term agreements and contracts across its core verticals:

GE Vernova

Two multi-year agreements totaling USD 165.5 Million, covering advanced gas, nuclear, and industrial turbine components.

Siemens Energy

Multiple contracts valued at € 90.1 million for combustion commodities, cold blades, and critical rotating parts.

Mitsubishi Heavy Industries

A five-year LTCPA worth USD 83 Million for turbine airfoils.

Honeywell Aerospace

Phase-1 award of USD 16 Million for aviation components.

Baker Hughes

Strategic supply agreement for oilfield equipment, supplemented by an MoU to establish a local manufacturing facility in Saudi Arabia.

BHEL

Orders for rotating airfoils for supercritical turbines, advancing India's indigenization initiatives.

GTRE (DRDO)

A nation-pride program for full-scale assembly and integration of an advanced turbo gas generator.

Rolls-Royce Plc

Long-term engagement to supply civil aircraft engine components across full lifecycle programs.

These wins highlight the company's ability to participate meaningfully in global aerospace, energy, and defence value chains while continuing to secure marquee government and indigenization programs in India.

Expanding Capacity Through New Facilities

To support this expanding business pipeline, Azad added two client-dedicated lean manufacturing facilities in Tunikibollaram, Hyderabad:

MHI facility (~7,200 sq. m) – inaugurated in March 2025.

GE Vernova facility (~7,600 sq. m) – inaugurated in April 2025 (substantially completed during FY25).

These additions form part of Azad's Phase-1 expansion program (~94,899 sq. m), complementing the ~20,000 sq. m of existing operational area. The facilities are designed to global specifications, co-locating with customer requirements and enabling faster turnaround, higher efficiency, and agile execution. Together, they significantly strengthen Azad's ability to meet growing demand and deepen customer integration.

Strengthened Balance Sheet Through QIP

In February 2025, Azad successfully raised ₹7,000 million through a Qualified Institutional Placement (QIP). The capital raise was earmarked as follows:

₹5,250 million – for capital expenditure on advanced machinery, equipment, and process automation.

₹1,562 million – for general corporate purposes (within the 25% cap).

This infusion has fortified the company's balance sheet, enabled expansion ahead of demand, and created financial flexibility to pursue high-value, high-complexity programs across its verticals.

Aerospace & Defence
A Key Growth Engine

The Aerospace & Defence segment emerged as the next frontier of growth, recording revenues of ₹807 million in FY25, up 84.1% year-on-year, and increasing its share of total revenues to 17.9% from 12.9% in FY24.

Key contributions included APU / Engine components, unison rings, actuator assemblies, and structural parts for leading aircraft platforms such as the Boeing 737, Airbus A320 and A350 families, and Gulfstream G550, as well as advanced defence systems. This growth reflects the successful completion of long qualification cycles, deep engineering expertise, and Azad's ability to consistently deliver life-critical components to global standards.

The Energy & Oil & Gas verticals remained the backbone of the business, generating revenues of ₹3,586 million (79.1% of total) with +26% YoY growth, supplying compressor airfoils, specialized machine parts (SMP), critical machine parts (CMP), along with qualification of critical components for combustion sections for global OEMs.

Export-Led Diversification

Exports accounted for 91.9% of total revenue in FY25, up from 87.5% in FY24. Azad now serves customers in over 12 countries, including the USA, UK, Germany, Japan, Saudi Arabia, and Singapore. This broad international footprint diversifies revenue streams, enhances resilience, and reduces overdependence on any single market or geography.

People & Operating Backbone

Azad closed FY25 with a skilled workforce of 1,300+ employees and ~20,000 sq. m of operational manufacturing space, supplemented by nearly 95,000 sq. m of expansion under Phase-1. The company's facilities are built to stringent global standards, with several customer-dedicated units designed to support strategically and deeper integration with OEMs.

Recognition & Industry Accolades

FY25 also brought industry recognition for Azad's execution excellence and reliability:

- Global Partner of the Year 2024 – Mitsubishi Heavy Industries
- Awards for Operational Excellence and Commercial Competitiveness – GE Vernova
- Recognitions from Honeywell, Godrej Aerospace, and Tata Lockheed Martin for precision engineering, scale, and on-time delivery
- These acknowledgements reinforce Azad's reputation as a trusted, long-term partner for leading global OEMs.

Long-standing relationships continue to be a hallmark of Azad's business. The company's key client engagement now exceeds 10 years, with high levels of repeat business and multi-year contracts serving as a testament to trust, customer stickiness, and embeddedness in global supply chains.

Board of Directors

Rakesh Chopdar
Chairman & CEO

Murli Krishna Bhupatiraju
Managing Director

Jyoti Chopdar
Whole-Time Director

Vishnu Malpani
Whole-Time Director

Deepak Kabra
Independent Director

Madhusree Vemuru
Independent Director

Subba Rao Ambati
Independent Director

Michael Joseph Booth
Independent Director

Senior Management

Ronak Jajoo
Chief Financial Officer

Ashok Gentyala
Head – Engineering & Operations

Balaji PR
Head – Business Growth

Dinesh J Shetty
Head – Supply Chain

Atin Agarwal
Head – Analytics & IT

Matthew Richard Childs
Head – Program Management

Silpa Kanaka Bellamkonda
Head – Quality Management Systems

Ful Kumar Gautam
Company Secretary & Compliance Officer

Management Discussion and Analysis

About US

Established in 2008 by visionary entrepreneur, Mr. Rakesh Chopdar, Azad stands at the forefront of global precision manufacturing, specialising in highly engineered, complex, mission and life-critical components for the Aerospace & Defence, Energy, Oil & Gas and Industrial Technology sectors.

The company is revolutionizing the global precision manufacturing industry by leveraging cutting-edge technology and state-of-the-art infrastructure. With over 17+ years of operational excellence, Azad serves as a trusted Tier 1 supplier to the world's leading OEMs across several countries and has established a comprehensive ecosystem designed to effectively meet their ever-evolving needs.

This holistic approach ensures the delivery of unparalleled quality and innovation while also fostering the long-term growth and sustainability of partnerships. By continuously pushing the boundaries of precision manufacturing, Azad is pioneering a new era of global engineering excellence.

Industry Overview

Defence Manufacturing: India's Trillion-Rupee Opportunity

India's defence sector is at a defining inflection point, entering a structural growth cycle that is expected to reshape the nation's industrial landscape. Defence production is projected to nearly triple — from ₹94,845 crore in FY22 to ~₹3 lakh crore by FY29E (CAGR ~18%) — supported by aggressive indigenisation, favourable procurement policies, and deeper private-sector participation.

The private sector's share, currently at ~23%, is set to increase significantly as advanced technology integration, system-level outsourcing, and co-development gain momentum. Exports are also emerging as a strategic growth lever, projected to surpass ₹50,000 crore by FY29E, reinforcing India's position as a credible global supplier.

For Azad Engineering, this transformation is highly relevant. Our long-standing partnerships with global OEMs and our unique qualifications in complex, life-critical components position us to participate meaningfully in this multi-year growth cycle. With geopolitical realignment driving higher defence budgets globally, and India's "Atmanirbhar Bharat" push enabling greater localisation, Azad is strategically placed to expand its Aerospace & Defence vertical.

Global Aviation: Structural Growth Backdrop

The aviation industry has rebounded strongly from the pandemic shock. Passenger traffic is expected to reach 9.9 billion in 2025, surpassing 2019 levels by 104%. The global commercial fleet is projected to grow ~32% over the next decade, reaching 38,300 aircraft by 2035E. Fleet modernisation is also a key driver, with more than 21,000 aircraft scheduled for replacement between 2024–44.

Narrow-body aircraft — led by the Airbus A320 and Boeing 737 families — dominate demand, expected to grow by ~35% over the next 10 years. By 2044, the global commercial fleet is projected to approach 50,000 active airplanes, with 76% of deliveries being single-aisle models.

For Azad, this creates a multi-decade runway for growth. Our qualified portfolio of aero-engine and structural components — including APU / Engine components, unison rings, airfoils, actuators, and hydraulic assemblies — supports leading global platforms. With increasing wallet share across programs and multi-year customer contracts, we are steadily deepening our role in global aerospace supply chains.

Indian Aviation: Expanding Horizons

India is among the world's top three fastest-growing aviation markets. Domestic passenger volumes reached 161.3 million in CY24, and IATA projects annual traffic will triple to 425 million by 2044. With only ~4% share of global air traffic compared to ~17% for China and ~18% for the U.S., India remains structurally underpenetrated.

This growth is underpinned by:

- Low-cost carriers driving affordability.
- Rising disposable incomes and an expanding middle class.
- UDAN scheme, which has created a new category of regional flyers through subsidised connectivity.

- Fleet expansion: India's fleet has more than doubled in the past decade to ~890 aircraft, with 2,325 aircraft on order, one of the largest order books globally.
- Airport expansion: 50 new regional airports are planned in the next 5 years (current: 147).

These factors together create a sustained demand environment for regional and narrow-body aircraft, directly translating into higher demand for high-precision components. With deep engineering expertise and global qualifications, Azad is positioned as a strategic beneficiary of India's aviation growth.

Energy & Power Generation

Global Outlook

The global energy sector is undergoing a once-in-a-generation transformation, driven by decarbonisation, electrification, and digital economies. Electricity demand is projected to grow at 3.3% in 2025 and 3.7% in 2026, among the highest growth rates of the last decade. By 2026, global electricity consumption is expected to surpass 29,000 TWh, a new record.

In India, electricity demand rose modestly by 1.4% in H1 FY25 due to cooler weather and economic softness but is forecast to rise 4% for FY25 and accelerate to 6.6% in FY26, driven by industry, services, and rising household AC penetration. Peak load is projected to reach 270 GW in 2025, with efficiency standards expected to help manage long-term grid strain.

Gas Turbine Market

Despite renewable momentum, gas turbines remain indispensable for flexible, dispatchable power. The market is highly concentrated, with GE Vernova, Siemens Energy, and Mitsubishi Power controlling nearly two-thirds of global construction. GE Vernova alone has 55 GW of turbines under construction.

Asia drives growth: Two-thirds of gas-fired capacity under construction is in Asia, led by China (151 GW in development, 46 GW under construction). Nearly 47% of turbines under construction (82 GW) are hydrogen-ready, reflecting a shift toward cleaner fuels.

For Azad, this means rising demand for critical turbine components where we are already qualified suppliers to all the major global OEMs with a average relationship as Tier1 for over 10 years

Nuclear Power Market

Global nuclear generation is set to grow by nearly 2% annually in 2025–26, supported by reactor restarts in Japan, new builds in China and India, and steady output from the U.S. and France. Nuclear's role in energy diversification and decarbonisation is expanding.

India targets 22,000 MW of nuclear capacity by 2050, with multiple new reactors under construction and collaborations with Russia, France, and the U.S. Indigenous programs such as the Advanced Heavy Water Reactor (AHWR) and future thorium-based designs underscore India's long-term ambitions.

Azad's qualifications in nuclear turbine airfoils and rotating components make us a critical partner in this transition for India and global Nuclear market.

Steam / Thermal Turbine Market

The global steam turbine market was valued at USD 17–19 billion in 2024, expected to grow modestly at ~2.4–2.5% CAGR to reach USD 21–23 billion by 2030–34.

In India, growth is stronger, with the market valued at USD 934 million in 2024, forecast to reach USD 1.4 billion by 2033 (CAGR ~4.3%). Another estimate places it at USD 3.3 billion in 2022, rising to USD 4.4 billion by 2030 (CAGR ~3.5%).

Separately, the steam turbine service market is valued at USD 19.5 billion in 2024, expected to reach USD 31.8 billion by 2034 (CAGR 5%) — larger than the turbine equipment market itself, reflecting the long-term value in MRO services.

For Azad, which already supplies critical components for steam turbines, this presents a sustained growth runway not only in new-build but also in retrofit and service-driven opportunities.

Financial Overview

Revenue Performance

Azad Engineering delivered its best-ever financial performance in FY25, with **revenue from operations rising 32.9% YoY to ₹4,529 million** (FY24: ₹3,408 million). Growth was broad-based across business verticals, supported by deeper wallet share with existing customers, new client additions, and steady execution of the order book.

- **Energy & Oil & Gas**: ₹3,586 million (79% of total revenue), up **26.0% YoY**.
- **Aerospace & Defence**: ₹807 million (17.9% of total revenue), up **84.1% YoY**.
- **Scrap & Export Incentives**: ₹136 million.

This strong performance underscores the benefits of diversification across high-growth sectors and Azad's positioning as a strategic supplier to global OEMs.

Expenses and Profitability

Total expenses increased 15.9% to ₹3,385 million (FY24: ₹2,920 million), well below the revenue growth rate, reflecting operating leverage.

Cost of consumption rose marginally by 0.3% to ₹627 million, reflecting product mix.

Employee benefit expenses moderated by 1.7% YoY, highlighting productivity gains.

Other expenses stood at ₹1,382 million (FY24: ₹1,039 million), stable as a percentage of revenue.

Adjusted EBITA grew to ₹1,646 million (FY24: ₹1,175 million), with margins improving to 35.6%, the highest in the company's history.

Depreciation increased to ₹286 million (FY24: ₹205 million) on account of capacity addition.

•Finance costs declined sharply to ₹179 million (FY24: ₹473 million), reflecting deleveraging and stronger internal accruals. As a result, PAT rose 51.1% YoY to ₹885 million, with margins improving to 19.5% (FY24: 17.2%).

Balance Sheet Strength

- **Net worth** doubled to ₹14,176 million, driven by profitability and the successful ₹7,000 million QIP concluded in February 2025.
- **Borrowings** stood at ₹2,383 million as of March 31, 2025, placing leverage at a comfortable level relative to equity and cash flows.
- The company moved to a **net cash position**, with **Cash & Bank balances at ₹6,959 million**, supported by the QIP raise.

Capital Expenditure and Investments

During FY25, Azad commissioned the first manufacturing block under its new capacity expansion program, with additional sheds to be operational in FY26. **Net Block increased by ₹1,465 million**, reflecting investments in advanced machining, automation, and product development capabilities.

The company also initiated new product development programs for existing and new customers. These are capitalised in line with the company's policy on development expenditure.

Working Capital and Cash Flows

- **Net working capital** increased to ₹3,311 million (FY24: ₹2,530 million), broadly in line with revenue growth.
- The company is undertaking multiple initiatives to improve working capital efficiency, with benefits expected to accrue from FY26.
- **Operating cash flows** turned positive, at ₹629 million in FY25 versus negative ₹69 million in FY24, driven by profitability and better collections.

Returns

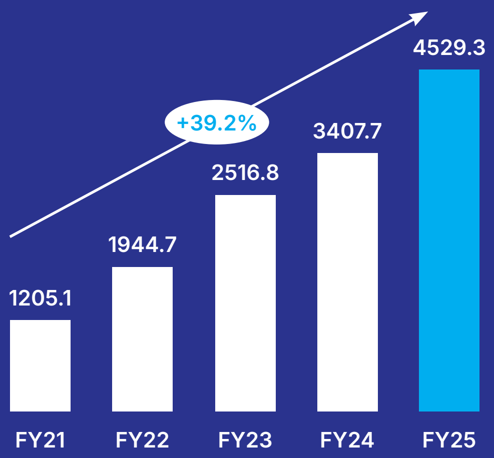
- **ROCE (adjusted)** stood at **20.7%**, reflecting efficient capital deployment and prudent financial management.
- Despite ongoing capex and capacity expansion, return ratios remain healthy and are expected to strengthen as new facilities ramp up.

Summary

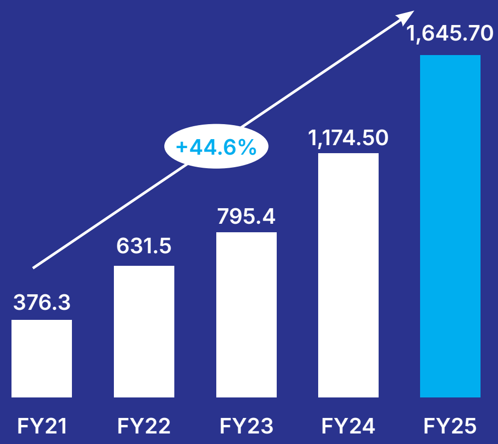
FY25 was a year of **profitable growth, balance sheet strengthening, and investment for the future**. Azad delivered strong revenue growth, expanded margins to a historic high, reduced leverage, and raised long-term growth capital through a ₹7,000 million QIP. With a robust order book, efficient capital structure, and ongoing capacity expansion, the company is well placed to sustain growth momentum and create long-term shareholder value.

Financial Growth (In Rs. Mn)

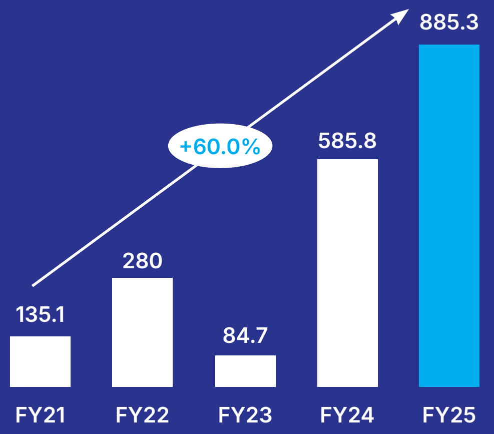
Revenue From Operations



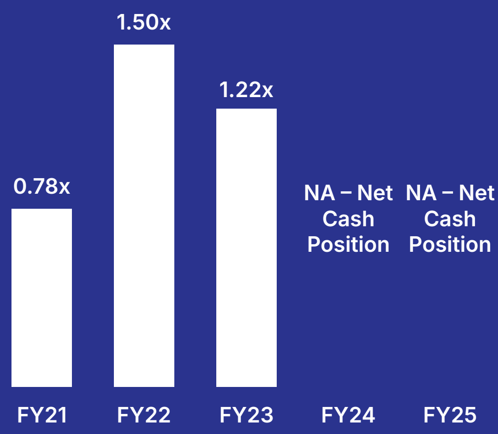
Adj. EBITDA* & EBITDA Margin



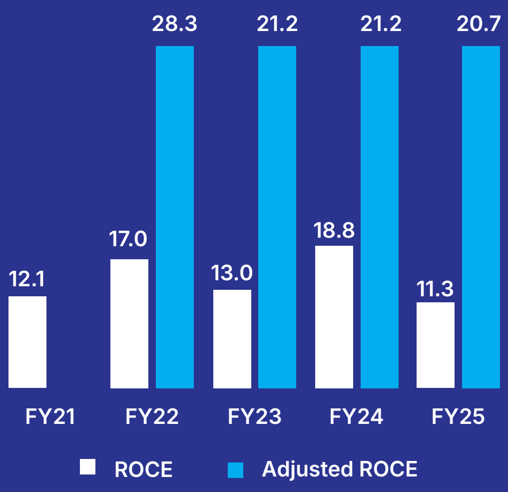
PAT and PAT Margin



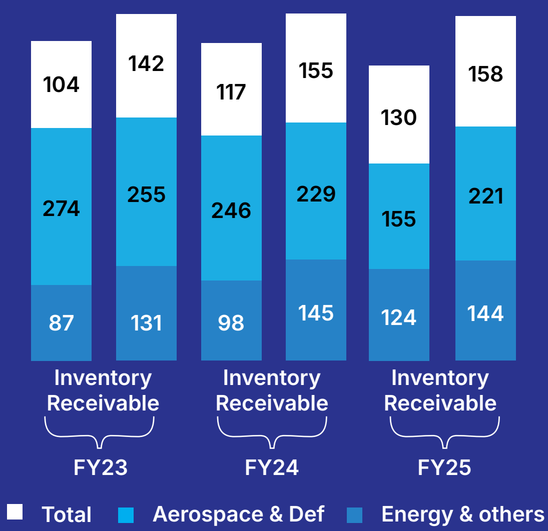
Net Debt to Equity



Return on Capital Employed (%)



Working Capital Days



Notes: Amounts are rounded off; Adjusted EBITDA is calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss; ; Adjusted ROCE % = Adjusted EBIT / Adjusted average capital employed (Excluding CWIP, Advances towards CAPEX, Cash and Bank Postition) Margins are calculated as a percentage of revenue from operations

Human Resources

As of today, the company employs approximately 1453 individuals, reflecting our commitment to fostering a diverse and dynamic workforce. Our human resources strategy focuses on talent acquisition, retention, and development to align with our long-term business objectives. We maintain robust industrial relations, characterised by a constructive and collaborative approach with all stakeholders. Through continuous engagement, training programs, and career development opportunities, we strive to create an inclusive and supportive work environment that empowers employees to achieve their fullest potential while contributing to the company's growth and success.

Risk and Risk Mitigation

At Azad Engineering, we understand that operating in high-precision manufacturing sectors such as aerospace, defence, and energy involves unique risks that could impact our operations and strategic goals. Our risk management framework is designed to proactively identify and mitigate these risks, ensuring resilience and sustained growth.

Key Risks:

- **Market Volatility:** Fluctuations in global demand and supply chain disruptions can affect production schedules and revenue. Mitigation Strategy: We mitigate this risk by maintaining a diversified customer base across multiple sectors and geographies and by building strong relationships with reliable suppliers.
- **Technological Obsolescence:** Rapid technological advancements could render existing equipment or processes outdated. Mitigation Strategy: To stay ahead, we invest in continuous R&D, upgrade our manufacturing technologies, and foster innovation within our engineering teams.
- **Regulatory Compliance:** The aerospace and defence sectors are highly regulated, with strict compliance requirements that can vary by region. Mitigation Strategy: We ensure compliance by regularly updating our knowledge of regulatory standards and maintaining robust internal controls and audits.
- **Operational Risks:** High precision in manufacturing processes necessitates a strong focus on quality control and operational efficiency. Mitigation Strategy: We employ stringent quality assurance protocols and continuous training for our workforce to uphold the highest standards of precision and reliability.
- **Supply Chain Disruptions:** Dependence on specialised raw materials and components poses a risk of supply chain disruptions. Mitigation Strategy: To counter this, we establish long-term contracts with multiple suppliers and maintain buffer inventories to manage potential supply disruptions.

Internal Control Systems nd Adequacy Azad Engineering has established robust internal control systems designed to ensure the reliability of financial reporting, safeguard assets, and promote operational efficiency across all levels of the organisation. Our internal control framework is aligned with best practices and is regularly reviewed to ensure its effectiveness and adequacy in addressing the evolving risks associated with our business operations.

The company employs comprehensive policies, procedures, and guidelines that govern all critical processes, including procurement, production, quality assurance, and financial management. These controls are designed to prevent and detect errors, fraud, and other irregularities, thereby maintaining the integrity of our operations.

Azad Engineering has implemented a vigilant vigilance mechanism to further enhance the control environment and promote transparency, accountability, and ethical conduct among employees. This mechanism includes a whistleblower policy, which provides a secure and confidential platform for employees and stakeholders to report any unethical practices, financial misconduct, or non-compliance with legal and regulatory requirements.

The Audit Committee, in collaboration with the Internal Audit team, regularly reviews the adequacy and effectiveness of the internal control systems and the vigilance mechanism. Any identified weaknesses are promptly addressed through corrective actions and process improvements to ensure that the control systems remain robust and resilient.

Azad Engineering is committed to maintaining a culture of integrity, compliance, and operational excellence by continuously monitoring and strengthening our internal controls and vigilance mechanisms.

Cautionary Forward-Looking Statement This Management Discussion and Analysis (MDA) contains forward-looking statements that are based on the current expectations, assumptions, projections, and estimates of the management of Azad Engineering. These statements are subject to inherent risks, uncertainties, and other factors that could cause actual results to differ materially from those projected or anticipated. Factors that could influence the outcomes include but are not limited to, changes in market conditions, economic and political developments, regulatory changes, technological advancements, and unforeseen events affecting the industry or the company's operations.

Azad Engineering is not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The information contained in this MDA should not be construed as a guarantee of future performance. Readers should exercise caution and consider the inherent risks when interpreting forward-looking statements.

Notice of the 42nd Annual General Meeting of Azad Engineering Limited

CIN: L74210TG1983PLC004132
Registered Office: 90/C, 90/D, Phase 1, IDA, Jeedimetla , Hyderabad, Telangana-500055, India
Email: cs@azad.in; Phone: +91-40-2309 7007; Website: https://www.azad.in/

NOTICE IS HEREBY GIVEN THAT FORTY SECOND (42ND) ANNUAL GENERAL MEETING OF THE MEMBERS OF AZAD ENGINEERING LIMITED ("THE COMPANY") WILL BE HELD ON TUESDAY, SEPTEMBER 30, 2025 AT 04:00 P.M. (IST) THROUGH VIDEO-CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") ORGANISED BY THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS AND THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 90/C, 90/D, PHASE 1, L.D.A, JEEDIMETLA , HYDERABAD, TELANGANA - 500055 , INDIA.

ORDINARY BUSINESS:

1) To receive, consider and adopt the audited financial statements (including the audited consolidated financial statements) of the Company for the financial year ended on 31st March 2025, together with the reports of Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT *the audited Financial Statements (including the audited consolidated financial statements) for the financial year ended on 31st March 2025, together with schedules and notes appended thereto and the report of Directors' and Auditors' of the Company, as tabled before the meeting, be and are hereby received, considered, approved and adopted."*

2) To appoint a director in place of Mrs. Jyoti Chopdar (DIN: 03132157), Whole-time Director who retires by rotation and being eligible, offers herself for re-appointment and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT *Mrs. Jyoti Chopdar (DIN: 03132157), Whole-time Director who retires by rotation at this Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Whole-time Director of the Company, liable to retire by rotation."*

SPECIAL BUSINESS:

3) To appoint Mr. Ashish Kumar Gaggar, a Peer reviewed Company Secretary in practice as Secretarial Auditor of the Company, and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT *pursuant to the provisions of section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, Mr. Ashish Kumar Gaggar, (FCS 6687, COP: 7321) a Peer reviewed Company Secretary in practice be and is hereby appointed as the Secretarial Auditor of the Company for first term of 5 (five) consecutive years commencing from the Financial Year 2025-26 till the Financial Year 2029-30, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by him during the course of the secretarial audit".*

   "RESOLVED FURTHER THAT *the Board of Directors of the Company (including any Committee thereof), be authorised on behalf of the Company, including but not limited to determine role and responsibilities/ scope of work of the Secretarial Auditor, to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendments to the Act or Listing Regulations and such other requirements without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect of the implementation of this Resolution*."

4) To approve the continuation of directorship of Mr. Michael Joseph Booth (DIN: 10309295), Independent Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in this regard to consider and, if thought fit, to pass the following resolution as a special Resolution:

"RESOLVED THAT *pursuant to the provisions of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and other applicable provisions if any, consent of the members of the Company be and are hereby accorded to the continuation of directorship of Mr. Michael Joseph Booth (DIN: 10309295), as an Independent Director of the Company who is serving his first term as an Independent Director with effect from 12 September 2023 until 11 September 2028 and will attain the age of 75 years during this term."*

"RESOLVED FURTHER THAT *for the purpose of giving effect to the foregoing resolution, the Board (which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."*

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: September 08, 2025
Place: Hyderabad

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of special businesses to be transacted at the Annual General Meeting ("AGM"), as set out under Item No(s). 3 and 4 above and the relevant details of the Directors as mentioned under said Item No(s). 2 and 4 as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In Compliance with the provisions of the Companies Act, 2013, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14thDecember, 2021, 2/2022 dated 5th May, 2022, 10/2022 dated 28th December, 2022, 09/2023 dated 25th September 2023 and 09/2024 dated 19th September 2024 issued by the Ministry of Corporate Affairs ("MCA") , in relation to the extension of framework provided in the MCA Circulars up to 30th September 2025, read with Circulars dated 12th May, 2020, 15th January, 2021, 13th May 2022, 5th January, 2023, Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023, Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and other relevant circulars, if any, issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold the Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visual Means ("OAVM") up to30th September, 2025, without the physical presence of members at a common venue. Hence, in compliance with the aforementioned Circulars, the 42nd AGM of the Company is being conducted through VC / OAVM.
3. M/s. KFin Technologies Limited, Registrar & Transfer Agent of the Company ("RTA"), shall be providing the facility for voting and attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of upto 100000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and other Committee as applicable, Auditors, Scrutinizers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join 15 (fifteen) minutes prior to the scheduled time of

meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in Annexure II attached to this Notice.

4. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company situated at 90/C, 90/D, Phase-I, IDA, Jeedimetla, Hyderabad, Telangana-500055, India which shall be the deemed Venue of the meeting. Since the Annual General Meeting will be held through VC, the Route Map is not annexed to this Notice.
5. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by a Member is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. In terms of Section 152 of the Companies Act, 2013, Ms. Jyoti Chopdar (DIN: 03132157), Director, retire by rotation at the meeting and being eligible, offers herself for reappointment. The Board of Directors of the Company recommends her re-appointment. Brief profile of Director and relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are given in Annexure I. The Company has received the requisite consents/declarations for the appointment/ re-appointment under the Companies Act, 2013 and the rules made thereunder.
7. Mr. Ashish Kumar Gaggar, Company Secretary in Practice (Membership No. FCS-6687) has been appointed as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process before the AGM in a fair and transparent manner.
8. Institutional / Corporate members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote electronically either during the remote e-voting period or during the AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at ashishgaggar.pcs@gmail.com with a copy marked to cs@azad.in In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 20, 2025 to Friday, September 26, 2025 (both days inclusive). Cut-off date is Friday, September 19, 2025.** In respect of shares held in electronic form to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
11. **Registration of e-mail ID**

    Members who have not registered their email IDs are requested to do so at the earliest. Members holding shares in:

    Electronic mode can register their email ID by contacting their respective Depository Participant(s) ("DP").

    Physical mode can register their email ID with the Company or KFin. Requests can be emailed to cs@azad.in or einward.ris@kfintech.com or by registering with the first holder PAN at https://kprism.kfintech.com/signup. Existing users can login through KPRISM (https://kprism.kfintech.com/). All updations to be done through ISR Forms only.
12. SEBI, vide Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17.05.2023 as amended by SEBI Circular No.: SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17.11.2023 mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details including Mobile Number, Bank Account Details and Specimen Signature) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. You may also refer to SEBI FAQs by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ Nos. 38 & 39).

    For the purpose of updation of KYC details against your folio, you are requested to send the details to our RTA M/s. KFin Technologies Limited along with copy of this letter to Azad Engineering Limited, Registered Office: 90/C, 90/D, Phase 1, IDA, Jeedimetla , Hyderabad, Telangana-500055, India.

    - Through hard copies which should be self -attested and dated. OR
    - Through electronic mode, provided that they are sent through E-mail ID of the holder registered with RTA and all documents should be electronically/digitally signed by the Shareholder and in case of joint holders, by first joint holder. OR
    - Through web- portal of our RTA, KFin Technologies Limited - https://ris.kfintech.com

Investors can download the following forms & SEBI Circulars, which are also uploaded on the website of the company at www.azad.in and are also available on the website of KFin Technologies Limited at https://ris.kfintech.com/clientservices/isc/isrforms.aspx.

The following forms have been notified:

Forms	Descriptions
ISR-1	Request for registering PAN, Contact details (Postal Address, Mobile number & Email) and Bank details or changes / updation thereof.
ISR-2	Confirmation of Signature of securities holder by the Banker.
ISR-3	Declaration for opt-out Nomination.
SH-13	Nomination form.
SH-14	Change in Nomination.

13. In compliance with the Circulars, an electronic copy of the Annual Report containing the Notice of the AGM is being sent only by email to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested a physical copy of the same. The Annual Report containing the Notice of the AGM has been uploaded on the website of the Company at www.azad.in The Notice is also accessible from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The same is also available on the website of RTA at https://evoting.kfintech.com/.

14. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories **as on Friday, September 19, 2025** have been considered for the purpose of sending the Annual Report containing the Notice of the AGM. However, instructions have been given in Annexure II to enable those persons who become members subsequently to receive the Annual Report containing the Notice of the AGM and login credentials.

15. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated25th January 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024) has mandated listed companies to process the following investor service requests only in dematerialized form: (i) issue of duplicate securities certificate; (ii) claim from unclaimed suspense account; (iii) renewal/ exchange of securities certificate; (iv) endorsement;(v) sub-division/splitting of securities certificate;(vi) consolidation of securities certificates/folios;(vii) transmission; and (viii) transposition. In view of the above, members holding shares in physical form are advised to dematerialize the shares with their Depository Participant.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@azad.in Electronic copy of all the documents referred to in the accompanying Notice of the AGM, the Explanatory Statement shall be available for inspection in the 'Investors Section' of the website of the Company at www.azad.in

17. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial or Investor Relations Department so as to reach the Company in advance before the date of the Annual General Meeting, i.e. by **Monday, September 29, 2025** specifying the point(s).

18. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login)

19. Notification of Agreements, if any, under SEBI (LODR) Regulations, 2015:

Shareholders are hereby notified that as per the Listing Regulations, the Company must inform the Stock Exchanges about agreements involving shareholders, promoters, members of the promoter group, related parties, directors, key managerial personnel, and employees of the Company or its affiliates. These agreements may impact the management or control of the Company, impose restrictions, or create liabilities, directly or indirectly. This includes details of amendments, rescissions, or alterations to such agreements, whether or not the Company is a party. Shareholders are requested to promptly inform the Company of any such agreements, not involving the Company, within two working days of their execution or intention to execute. The Company will subsequently notify the Stock Exchanges of these agreements within the specified timelines upon becoming aware of them.

[Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: September 08, 2025
Place: Hyderabad

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Statement sets out all material facts relating to Items no.3 to 4 as mentioned in the Notice:

Item No. 3:

The Board at its meeting held on September 08, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of Mr. Ashish Kumar Gaggar, a Peer reviewed Company Secretary in practice, (M No F6687 and COP: 7321) as a Secretarial Auditor of the Company for a term of five consecutive years commencing from FY 2025-2026 till FY 2029-2030, subject to approval of the Members.

The appointment of Secretarial Auditor shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Mr. Ashish Kumar Gaggar is a well-known Company Secretary in Practice based in Hyderabad. Renowned for its commitment to quality and precision, he has around 19 years of experience and is Peer Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices. Furthermore, he is also a Peer Reviewer himself and has reviewed the work of several Company Secretaries and firms of Company Secretaries.

He is focused on providing comprehensive professional services in corporate law, SEBI regulations, FEMA compliance, and allied fields, delivering strategic solutions to ensure regulatory adherence and operational efficiency. He and his team provides its services to various prominent companies and their expertise has earned the trust of industry leaders across sectors like manufacturing, pharmaceuticals, and technology.

Mr. Ashish Kumar Gaggar has confirmed that he is not disqualified and is eligible to be appointed as Secretarial Auditor in terms of Regulation 24A of the SEBI Listing Regulations and do not have any conflict of interest. The services to be rendered by Mr. Ashish Kumar Gaggar as Secretarial Auditor is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The proposed fees in connection with the secretarial audit shall be ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and other out-of-pocket expenses for FY 2026, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and Mr. Ashish Kumar Gaggar. In addition to the secretarial audit, Mr. Ashish Kumar Gaggar shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditor. The Board recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 3 of this Notice

Item no. 4:

Mr. Michael Joseph Booth (DIN: 10309295), ("Mr. Michael") was appointed as a Non-Executive Independent Director of the Company effective 12 September 2023, to hold office up to 11 September 2028 ("first term"). Mr. Michael will attain the age of seventy-five years during his first term. As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from 1st April, 2019, no listed company shall appoint a person or continue the directorship of any person as a Non - Executive Director who has attained the age of seventy-five years, unless a Special Resolution is passed to that effect.

Brief Profile:

Considering the reports of performance evaluation, his knowledge, acumen, expertise and experience in respective fields, the Nomination and Remuneration Committee ("NRC") and the Board of Directors are of the opinion that Mr. Michael fulfill the skills and capabilities as required in the Act and Listing Regulations and has been an integral part of the Board and during his tenure, has provided valuable insights to the Company and his continuation as an Independent Director will be in the interest of the Company. His independent oversight and strategic guidance are vital to the Company's success. Consequently, they recommend his continued membership on the Board.

Members are requested to take note that Mr. Michael fulfills conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation of the Listing Regulations, for continuation of his directorship as Independent Director of the Company and is independent of the management.

Further, he is not disqualified from continuing as Independent Director in terms of section 164 of the Act. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of

Directors) Rules, 2014, with respect to their registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Mr. Michael confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies

The names of companies and the committees in which he is director/member, the letter of appointment and terms and conditions of the appointment are uploaded on the website of the company and available for inspection at the registered office of the company between 11:00 A.M. to 1:00 P.M. on all working days of the Company.

His details are provided in the "Annexure I" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Michael and his relatives to the extent of their shareholding, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution.

The Board recommend the Special Resolution set out at Item No. 4 of the Notice for the approval by the members.

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: September 08, 2025
Place: Hyderabad

Annexure-I

Additional information on Director(s) seeking appointment/re-appointment in the Annual General Meeting as required under sub-regulation 3 of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard-2 as Issued by the Institute of Company Secretaries of India.

Statement of Disclosure:

Name of Director	Mrs. Jyoti Chopdar	Mr. Michael Joseph Booth
Designation(Category) of the Director	Executive-Wholetime Director	Non-Executive-Independent
Date of Birth	21/01/1977	13/02/1951
Age	48	74
Date of First Appointment on Board	01/07/2014	12/09/2023
DIN	03132157	10309295
Qualifications	Bachelor's degree in arts from the Kurukshetra University	He has obtained a higher national certificate in mechanical engineering and a higher national diploma in mechanical engineering from Kilmarnock Technical College.
Expertise in specific **functional areas/Brief Profile**	She has been associated with our Company for over eight years and is actively involved in our Company's general administrative activities.	He has previously worked with GE Caledonian Limited as repair team leader and Chromalloy Corporation LLC (under Turbine Services Limited) as lead middle-east sales manager.
Terms and Conditions of Appointment/ Re Appointment along with Remuneration sought to be paid	Not Applicable as she is retiring by rotation and being eligible has offered herself for re-appointment.	As mentioned in the explanatory statement No 4
Remuneration last Drawn (FY 2024-2025)	12.00 million	NIL
No. of Board Meetings attended during the year	9	10
Names of other companies **in which holds the directorship along with listed entities from which the person has resigned in the past three years(excluding foreign companies)**	7	NIL
Names of other companies in which holds the membership/chairmanship of committees of the board*(excluding foreign companies)	NIL	NIL
Number of shares as on 31st March 2025 held in Company including For other persons on a beneficial basis	144000	NIL
Inter-se relationship with other Directors, Managers and Key Managerial Personnel	Rakesh Chopdar- Husband	NIL
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	As mentioned in the explanatory statement No 4

(*) Committee refers to Audit Committee and Stakeholders' Relationship Committee only of other Companies, whether listed or not

Annexure-II

Detailed instructions for remote e-voting, the process to receive notice and login credentials by the persons who become members after the cut-off date, participation in the 42nd AGM through VC, and for e-voting during the 42nd AGM:

VOTING THROUGH ELECTRONIC MEANS (e-voting)

1. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 as amended from time to time in relation to e-voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfintech, on all the resolutions set forth in this Notice.

The instructions for e-voting are given hereinbelow:

2. The remote e-voting period would commence on **Friday, September 26, 2025 at 09:00 A.M. (IST) and end on Monday, September 29, 2025 at 05:00 P.M. (IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Friday, September 19, 2025.** i.e. Cut-off date, may cast their vote electronically. Those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions earlier through remote e- Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. Members whose names appear on the Register of Members or in the Register of Beneficial Owners as the close of business hours on **Friday, September 19, 2025.** will be considered for the purpose of voting. In compliance with provisions of Section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting facility to its Members holding equity shares as on that date i.e. **Friday, September 19, 2025** to exercise votes through electronic voting system ('remote e-voting')on the e-voting platform provided by the RTA.

4. Any person who becomes a member of the Company after sending of the Notice and holding shares as of the Cut-off date i.e. **Friday, September 19, 2025**, may obtain the login ID and password by sending a request at evoting@ Kfintech.com However, if he / she is already registered with KFintech for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.

5. A person who is not a member as on the Cut-off date should treat this Notice for information purposes only.

6. The Board of Directors has appointed Mr. Ashish Kumar Gaggar, Practicing Company Secretary (Membership No. FCS-6687), as the Scrutinizer to scrutinize the remote e-voting process and the e-voting conducted during the Annual General Meeting (AGM) in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting at the AGM in the presence of at least two witnesses who are not in the employment of the Company. He shall then submit, not later than two working days from the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour of and against each of the resolution(s) as set out in the Notice of the AGM, to the Chairman of the Board or to any one of the Directors duly authorized by the Board in this regard, who shall countersign the same and declare the results accordingly.

   The Results in respect of the Resolution(s) as set out in the Notice of the AGM, so declared, along with the consolidated Scrutinizer's Report will be communicated to the Stock Exchanges and will be uploaded on the website of the company www.azad.in and on the website of KFIN i.e. https://evoting.kfintech.com not later than two working days of the conclusion of the AGM of the Company. The said Results will also be displayed at the Registered Office of the company, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India. The resolutions will be deemed to be passed on the AGM date i.e. September 26, 2025 subject to receipt of the requisite number of votes in favor of the resolutions.

7. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

8. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e**. Friday, September 19, 2025.**

PROCESS FOR E-VOTING AND JOINING E-AGM:

The detailed process and manner for remote e-Voting and e-AGM are explained herein below:

STEP 1: Access to Depositories (NSDL/CDSL) e-Voting system in case of individual shareholders holding shares in demat mode.

STEP 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

STEP 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate in e-AGM and vote at the AGM.

STEP 1: Access to Depositories (NSDL/CDSL) e-Voting system in case of individual shareholders holding shares in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility may follow the following procedure:** i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting. iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. v. Click on "Active E-voting Cycles" option under E-voting. vi. You will see Company Name: "Azad Engineering Limited" on the next screen. Click on the e-Voting link available against Azad Engineering Limited or select e-Voting service provider "KFin" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication. **2. User not registered for IDeAS e-Services may follow the following procedure:** i. To register click on link: https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. iv. After successful registration, please follow steps given under point 1 above, to cast your vote.
	3. Alternatively, the users may directly access the e-Voting website of NSDL: i. **Open URL: https://www.evoting.nsdl.com** ii. Click on the icon "Login" which is available under 'Shareholder/Member' section iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. **KFin.** v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
	4. For OTP based login: You can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **5. NSDL Speede app:** Shareholders/Members may also download NSDL Speede App on Mobile which is available on Google Play Store and Apple App Store.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing users who have opted for Easi/Easiest may follow the following procedure:** i. Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or URL: www.cdslindia.com ii. Click on New System Myeasi iii. Login with your registered user id and password iv. The user will see the e-Voting Menu. The Menu will have links of e-voting service provider i.e. KFintech e-Voting portal v. You will see Company Name: "Azad Engineering Limited" on the next screen. Click on the e-Voting link available against Azad Engineering Limited. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest may follow the following procedure:** i. Option to register is available at https://web.cdslindia. com/myeasitoken/Home/EasiestRegistration ii. Proceed to complete registration using your DP IDClient ID (BO ID), etc. iii. After successful registration, please follow steps given under point 1 above to cast your vote. **3. Alternatively, by directly accessing the e-Voting website of CDSL:** i. Visit URL: www.cdslindia.com ii. Provide your Demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account iv. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Azad Engineering Limited. or select e-Voting service provider "KFintech" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.
Individual Shareholders (holding shares in demat mode) login through their demat accounts/Website of Depository Participant	i. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. ii. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. iii. Click on options available against Azad Engineering Limited or e-Voting service provider – KFintech and you will be redirected to e-Voting page of KFintech to cast your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022 - 23058542-43

STEP 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote. If required, please visit https://evoting.kfintech.com or contact toll- free numbers 1800309 4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" (EVEN No. 9173) i.e. 'Azad Engineering Limited. – AGM" and click on "Submit".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

xi. A confirmation box will be displayed. Click "OK" to confirm or else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id ashishgaggar.pcs@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVEN No".

B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

STEP 3: Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company or the company name and click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop, connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi- Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@azad.in in Questions/queries received by the Company till September 25, 2025 shall only be considered and responded during the AGM.

Instructions for e-voting during AGM:

i. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.

ii. Members need to click on the "instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

iii. Only those shareholders, who are present in the AGM and have not cast their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

OTHER INSTRUCTIONS:

i. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' for registration which will be opened from **Saturday, September 27, 2025, 9:00 A.M. (IST) to Thursday, Monday, September 29, 2025, 5:00 P.M. (IST)**. Members shall be provided with a queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for the smooth conduct of the AGM.

ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com . Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be open from **Saturday, September 27, 2025, 9:00 A.M. (IST) to Monday, September 29, 2025, 5:00 P.M. (IST)**.

iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Umesh Pandey on +91 40 6716 1767 or call KFin's toll free No. 1-800-309-4001 for any further clarifications.

iv. The Members whose names appear in the Register of Members/list of Beneficial Owners as on **Friday, September 19, 2025**, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the Member casts the vote on a resolution, the Member shall not be allowed to change it subsequently.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cutoff date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

1. **Example for NSDL:** MYEPWD <SPACE> XXXX IN12345612345678
2. **Example for CDSL:** MYEPWD<SPACE> XXXX 1402345612345678
3. **Example for Physical:** MYEPWD <SPACE> XXXX1234567890

b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800- 309-4001 or write to them at evoting@kfintech.com .

GENERAL INSTRUCTIONS:

a) The Company has appointed Mr. Ashish Kumar Gaggar, Practising Company Secretary, Hyderabad (FCS No. 6687, CP. No. 7321) to act as Scrutinizer to scrutinize the remote e-Voting process and voting during the AGM in a fair and transparent manner. The Scrutinizer will submit their report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before October 03, 2025 and will also be displayed on the website of the Company at www.azad.in besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

b) All communications relating to equity shares/ AGM are to be addressed to the Company's RTA at KFin Technologies Limited, Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India, Toll free Number 1800 309 4001, e-Mail id: einward. ris@kfintech.com , website: www.kfintech.com.

c) As an ongoing endeavour to enhance Investor experience and leverage new technology, our KFintech have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL- https://ris.kfintech.com/clientservices/isc/default.aspx

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFin is the only RTA which has enabled the option and can be accessed via the link below.

URL - https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL - https://ris.kfintech.com/clientservices/isc/kycqry.aspx

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL - https://kprism.kfintech.com/signin.aspx.

Corporate Information

Board of Directors	Rakesh Chopdar- Chairman & CEO, Wholetime Director Murali Krishna Bhupatiraju- Managing Director (w.e.f Jan 03, 2025) Jyoti Chopdar- Wholetime Director Vishnu Malpani- Wholetime Director Madhusree Vemuru- Independent Director SubbaRao Ambati- Independent Director Michael Joseph Booth- Independent Director Deepak Kabra- Independent Director (w.e.f Jan 03, 2025)
Key Managerial personnel	Ful Kumar Gautam - Company Secretary & Compliance Officer Ronak Jajoo - Chief Financial Officer
Statutory Auditor	**M/s. MSKA & Associates, Chartered Accountants** FRN:1 05047W 1101/ B, Manjeera Trinity Corporate, JNTU-Hitec City Road, Kukatpally, Hyderabad, Telangana-500072
Secretarial Auditor	**Ashish Kumar Gaggar** Flat No. 201, IInd Floor, Lake View Towers, Safari Nagar, Kothaguda, Kondapur, Hyderabad, Telangana–500084, India
RTA	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India
Bankers	Union Bank of India IndusInd Bank Ltd. ICICI Bank Ltd.
Registered Office	90/C,90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad, Telangana–500055, India
Plant Locations	90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India. 90/E, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana-500055, India Plot No D42/43, Phase V, TSIIC, IDA, Jeedimetla industrial park, quthbullapur mandal, Hyderabad, Medchal Malkajgiri, Telangana-500055, India Plot No 63/A , Phase I, TSIIC IDA, Survey No 298, jeedimetla village, Industrial Park, quthbullapur mandal, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India Plot No. 17/B, Pashamylaram, Isnapur, Sangareddy, Telangana-502307, India SY 340 Plot No 85 to 92 & 118 to 123, Industrial Park - Tuniki Bollaram, Siddipet, Telangana-502279, India Plot No 30 & 31 Phase 5, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India

Board's Report

To
The Members,
Azad Engineering Limited ("Company")

Dear Members,

Your Directors are pleased to present the 42nd Annual Report for the Financial Year 2024-2025 of your Company on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on 31st March 2025 (Standalone and Consolidated), and the Auditors' Reports thereon.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with the previous year's figures are given hereunder:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	4,573.54	3,407.71	4,529.28	3,407.71
Less: Total Expenses (**other than Finance Cost, Exceptional Items and tax)**	3,255.30	2,447.13	3,205.24	2,447.13
Profit/Loss from operations (before Other Income and Finance Cost and Exceptional Items)	**1,318.24**	**960.58**	**1,324.04**	**960.58**
Add: Other Income	105.91	319.93	115.49	319.93
Profit/ Loss from operations after Other Income and before Finance Cost and Exceptional Items and tax	**1,424.15**	**1,280.51**	**1,439.53**	**1,280.51**
Less: Finance Costs	183.89	472.65	179.36	472.65
Profit/ Loss before exceptional items and tax	**1,240.26**	**807.86**	**1,260.17**	**807.86**
Add/(Less): Exceptional items	0	0	0	0
Profit/Loss before Taxation	**1,240.26**	**807.86**	**1,260.17**	**807.86**
Tax Expense:				
Current Tax	**307.73**	**146.21**	307.73	146.21
Deferred Tax	**47.50**	**75.85**	47.50	75.85
Taxation pertaining to earlier years	**19.69**	**-**	19.69	-
Net Profit/ Loss for the year	**865.34**	**585.80**	**885.25**	**585.80**
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Remeasurement of the defined benefit plans	-1.32	-3.58	-1.32	-3.58
(ii) Deferred tax relating to above items	0.38	1.04	0.38	1.04
B) Items that will be reclassified to Profit & Loss		0	0	0
(i) Foreign Currency Monetary Translation Reserve		0	0	0
Total Other Comprehensive income/loss for the year, net of tax	**-0.94**	**-2.54**	**-0.94**	**-2.54**
Total Comprehensive Income for the year	**864.40**	**583.26**	**884.31**	**583.26**

There were no revisions of financial statements and the Board's Report of the Company during the year under review. The financial statements have been prepared in accordance with Indian Accounting Standards ("IndAS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

FINANCIAL PERFORMANCE REVIEW FOR F.Y. 2024-25:

Standalone

Revenue from operations stood at ₹4,529.28 million in F.Y 2024-25-compared to ₹3407.71 million in FY 2023-24, reflecting a robust growth of **32.91%**

Net profit after tax increased to ₹885.25 millions in F.Y 2024-25 from ₹585.80 millions in F.Y 2023-24, marking a significant rise of **51.12%**

Consolidated

Revenue from operations stood at ₹4,573.54 millions in F.Y 2024-25-compared to ₹3407.71 millions in FY 2023-24, reflecting a robust growth of **34.21%**

Net profit after tax increased to ₹865.34 millions in F.Y 2024-25 from ₹585.80 millions in F.Y 2023-24, marking a significant rise of **47.72%**

2. CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2024-2025, have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company and its subsidiary companies, as approved by the respective Board of Directors of such Companies.

The Consolidated Financial Statements together with the Auditors' Report forms part of this Annual Report.

The Audited Standalone and Consolidated Financial Statements for the Financial Year 2024-2025 will be laid before the Annual General Meeting for approval of the Members of the Company and are also available on the Website of the Company at https://azad.in/finanicals/

3. REVIEW OF BUSINESS OPERATIONS, STATE OF COMPANY'S AFFAIRS AND FUTURE PROSPECTS:

During the year under review, the revenues of the Company increased from ₹3,407.71 million to ₹4,529.28 million. This growth of approximately 32.91 % , setting new benchmarks with our highest-ever annual figure.

We are pleased to report that the company concluded the financial year with outstanding performance, delivering our highest-ever quarterly and annual results. We surpassed our given revenue and margin guidance, reflecting the effectiveness of our strategic initiatives and execution. Our expansion plans continue to gain strong traction, with several key customers securing long-term capacity through our on-going capacity expansion. This has significantly strengthened our order book and reaffirmed our leadership position in the market.

With a robust balance sheet and strong financial momentum, we are targeting revenue growth of ~30%. This will be supported by healthy, sustainable margins and disciplined investments aimed at addressing evolving customer demands. Looking ahead, we remain confident in our ability to accelerate growth and create enduring value for all our stakeholders.

4. DIVIDEND:

With a view to conserve resources for future operations and growth, the Board has not recommended any dividend for Financial Year 2024-2025.

As per the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended, the top one thousand listed entities based on market capitalization (calculated as on 31st March of every financial year) shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in the annual report. The Company has formulated a Dividend Distribution Policy and the same have been uploaded on the Company's website https://www.azad.in/policies/

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

As on 31st March, 2025, the Company has following subsidiaries:

a) **Azad VTC Private Limited**, which was incorporated on March 29, 2024

b) **Azad Prime Private Limited** which was incorporated on April 12, 2024

Further, as on 31st March, 2025, the Company did not have any joint ventures or associate companies.

Further, a separate statement containing the salient features of the financial statements of all subsidiaries in prescribed **Form AOC-1** in **Annexure-A**, is also included. This statement provides details of the performance and financial position of each subsidiary company. The audited financial statements, together with related information and other reports of each of the subsidiary companies are available on the Company's website at https://azad.in/finanicals/

The Policy of determining material subsidiaries as approved by the board is uploaded on the Company's Website at https://www.azad.in/policies/

6. CHANGES IN THE NATURE OF BUSINESS:

During the year under review, there were no changes in the nature of the Company's business.

7. TRANSFER TO RESERVES:

For the financial year ended on 31st March, 2025, the Company transferred:

a. ₹ 885.25 million, i.e., Profit for the year, to the **Retained Earnings Account** under **Reserves and Surplus**; b. ₹ 6,989.06 million, i.e., **Securities Premium** from the issue of equity shares, to the **Securities Premium Account** under **Reserves and Surplus**.

8. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to credit any amount to the Investor Education and Protection Fund constituted under Section 125(1) of the Companies Act, 2013.

9. SHARE CAPITAL AND ITS CHANGES:

During the year under review, the Authorised Share Capital of the Company was ₹15,00,00,000/- (Rupees Fifteen Crore only), divided into 7,50,00,000 (Seven Crore Fifty Lakh) equity shares of ₹2/- (Rupees Two only) each.

During the year under review, the company has issued by way of Qualified Institutional Placement (QIP) of 54,68,750 Equity Shares of ₹ 1280/- per equity share (including a premium of ₹ 1278/- per equity share and a face value of ₹ 2/- per Equity Share) aggregating to ₹7000/- million.

This issue was undertaken in reliance upon Chapter VI of the Securities And Exchange Board Of India (Issue of Capital And Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and Section 42 of the Companies Act, 2013 ("Companies Act"), Read with Rule 14 of the Companies (Prospectus And Allotment Of Securities) Rules, 2014, as Amended ("Pas Rules") and other applicable Provisions of the Companies Act And the Rules Made thereunder, each as amended.

Considering the above issue of shares by QIP The paid-up Equity Share Capital of the Company has increased from ₹ 11,82,25,986/- to ₹ 12,91,63,486/-

As on 31st March, 2025 is ₹ 12,91,63,486/- comprising of 64,581,743 Equity Shares of ₹ 2 each.

During the year under review, the Company has neither bought back any of its securities nor issued any sweat equity shares.

10. Qualified Institutional Placement:

The company raised a sum of ₹ 7,000/- Million through QIP in February 2025. The proceeds from the QIP will be used for funding

- Capital expenditure such as purchase of machinery and equipment: ₹ 5,250/- Million
- General corporate purposes: ₹ 1,562/- Million

11. EMPLOYEES STOCK OPTION SCHEME:

The Members in the Extra-ordinary General Meeting held on 28th January, 2025 has approved "Azad ESOP Scheme, 2024" (Scheme) to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of eligible employees (as defined in the Scheme) employee stock options (Options) not exceeding 2% (two percent) of the paid-up share capital of the Company as on 3rdJanuary, 2025 exercisable into 11,82,259 equity shares of the Company, in one or more tranches, at such price or prices, and on such terms and conditions as may be fixed or determined in accordance with the Scheme and in compliance with the Applicable Laws. The necessary approval from members was also accorded to extend the benefits and coverage of such Scheme to the eligible employees of the group company(ies), associate company(ies), subsidiary company(ies) whether in India or outside India or of a holding company of our Company.

During the financial year 2024–2025, the Company has not granted any stock options under the Scheme.

The Azad ESOP Scheme, 2024 of the Company is available on the website of the Company at https://azad.in/wp-content/uploads/2025/07/ESOP-policy.pdf

The certificate from the Secretarial Auditor on the implementation of Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) ("SEBI SBEB Regulations"), has been uploaded on the website of the Company at https://azad.in/policies/ The disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations and Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in 'Annexure-F'

12. ANNUAL RETURN:

The Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, can be accessed at https://www.azad.in/finanicals/annual-return/

13. PARTICULARS OF BOARD MEETINGS AND GENERAL MEETINGS CONDUCTED:

During the year under review, 10 Board meetings were held and details of Board Meetings held are given in the Corporate Governance Report.

The intervening gap between the two Meetings were within the time limit prescribed under Section 173 of the Act read with Regulation 17 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The 41st Annual General Meeting (AGM) of the Company was held on 27th September, 2024 through Video Conferencing /Other Audio Visual Means.

01/2024-2025 Extraordinary General Meeting of the Company was held on 28th January, 2025 through Video Conferencing / Other Audio Visual Means.

14. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the guidelines of Secretarial Standard-1 (Board Meetings) and Secretarial Standard-2 (General Meetings), issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government pursuant to Section 118(10) of the Companies Act, were adhered to while conducting the respective meetings.

15. PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS MADE:

The details of loans, investments made by the Company during the year under review are provided in the notes to the Financial Statements forming part of this Annual Report.

Further, there is no guarantees issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued there under.

16. UNSECURED LOANS FROM DIRECTORS:

During the year under review, the Company has not accepted any amount as unsecured loans from Directors pursuant to the applicable provisions of the Companies Act, 2013.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The Company has in place a robust process for approval of Related Party Transactions and on dealing with Related Parties. As per the process, necessary details for each of the Related Party Transactions as applicable along with justification are provided to the Audit Committee in terms of the Company's Policy on Materiality of Related Party Transactions as required under the regulations/ provisions of listing regulations and Act.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of the Company's business. Further, there are no material related party transactions during the year under review with any Related Parties. Hence, disclosure in Form AOC-2 is not required to be annexed to this Report.

Further, the details of the related party transactions as required under Indian Accounting Standard are set out in the notes to the Financial Statements forming part of this Annual Report.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's Website at https://www.azad.in/policies/

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

There is no Material Changes and Commitments affecting financial position of the Company occurring after end of financial year till the date of Board's Report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Information in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this Report at **Annexure–C**.

20. RISK MANAGEMENT POLICY:

The Risk Management Committee of the Company is duly constituted and composition of Risk Management Committee is mentioned appropriately in Corporate Governance Report, which is part of this Annual Report.

In the Board's view, there are no material risks, which may threaten the existence of the Company.

The Company has in place "Risk Management Policy" and has also engaged an external agency to further develop the Enterprise Risk Management Framework of the Company. The Risk Management Policy of the Company is available on the website of the Company at https://www.azad.in/policies/

21. NOMINATION & REMUNERATION POLICY:

In compliance with the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board had framed a Nomination and Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel, senior management and their remuneration. The Company affirms that the remuneration paid is as per Nomination and Remuneration Policy of the Company. The said Policy is available on the website of the Company at https://www.azad.in/policies/

Further, neither the Managing Director nor the Wholetime Directors of the Company receive any remuneration or commission from any of its subsidiaries.

22. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 (6) of the Act read with the Schedule and Rules issued thereunder as well as Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re- enactment(s) thereof for the time being in force). There has been no change in the circumstances affecting their status as Independent Directors of the Company. Further, all Independent Directors of the Company have registered their names in the Independent Directors' Data bank.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

23. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Details of Familiarisation Program for Independent Directors is given in the Corporate Governance Report, which forms part of this Annual Report.

24. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act, the Listing Regulations and Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors. The details of the same is given in the Corporate Governance Report, which forms part of this Annual Report.

25. AUDIT COMMITTEE:

The Composition of Audit Committee is disclosed in the Corporate Governance Report which forms part of this Annual Report.

The Board accepted all the recommendations made by Audit Committee during the year.

26. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIALS STATEMENTS:

Under Section 134(5)(e) of the Act, Internal Financial Control encompasses the policies and procedures implemented by a company to ensure the efficient and orderly conduct of its business operations. These include adherence to company policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The Company maintains a robust Internal Financial Control system through well-established policies and procedures. It employs a structured approach involving function-specific reviews and risk reporting by senior management. Significant matters are promptly escalated to the Audit Committee and the Board. Additionally, internal Standard Operating Procedures (SOPs) are clearly defined and documented to ensure proper authorization, recording, and reporting of all financial transactions.

To ensure accurate recording of day-to-day financial transactions and reporting, the Company utilizes a comprehensive ERP system. This system is equipped with adequate controls to integrate accounting records and prevent any potential control failures. The ERP system also maps out policies, procedures, SOPs, which are subject to audit by both internal and statutory auditors of the Company.

Statutory Auditors in their report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financials.

The Statutory Auditors and Internal Auditors are regularly invited to the meetings of the Audit Committee, where they present their observations and assessments regarding the adequacy and effectiveness of the internal financial controls. Based on these presentations and its own evaluation, the Audit Committee provides its recommendations and insights to the Board of Directors for continuous improvement in the Company's internal control environment.

27. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There were no significant and material orders passed by the authorities impacting the going concern status and the Company's operations in the future during the year under review.

28. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

During the year under review, the Statutory Auditors of the Company have not reported any frauds to the Board of Directors as prescribed under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

29. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

During the financial year under review and till the date of approval of this Directors' Report, the Company's Boards of Directors are as follows:

Name	Designation	DIN
Rakesh Chopdar	Wholetime Director, Chairman and CEO	01795599
Murali Krishna Bhupatiraju (w.e.f January 03, 2025)	Managing Director	10883843
Jyoti Chopdar	Wholetime Director	03132157
Vishnu Malpani	Wholetime Director	10307319
Michael Joseph Booth	Independent Director	10309295
Subba Rao Ambati	Independent Director	01722940
Madhusree Vemuru	Independent Director	10304579
Deepak Kabra (w.e.f January 03, 2025)	Independent Director	10878892

Based on the confirmations received from all the directors, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of the Companies Act, 2013, or under the Securities and Exchange Board of India (LODR) Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors

Further, In accordance with the provisions of Section 152 of the Act, Mrs. Jyoti Chopdar (DIN: 03132157), Wholetime Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. An appropriate resolution for her re-appointment is being placed in the notice of AGM for the approval of the shareholders of the Company.

Following changes occurred during the financial year and between the end of the financial year of the Company and the date of this Report:

a) **Mr. Deepak Kabra (DIN: 10878892)**, as per the recommendation of the Nomination and Remuneration Committee and after considering his knowledge, acumen, expertise and experience was appointed as Additional Director (Category: Non-Executive, Independent) of the Company by the Board to hold office for his first term of five consecutive years w.e.f. January 03, 2025 subject to approval and regularization by members of the Company in General Meeting as Independent Director on the Board. Further, considering that he possesses the skills and capabilities as required under the Companies Act and the Listing Regulations, and that it is desirable and in the interest of the Company to have him on the Board as an Independent Non-Executive Director, Mr. Deepak Kabra (DIN: 10878892) was regularized and appointed by the members as an Independent Director for a first term of five consecutive years with effect from January 03, 2025. This appointment and regularization was approved by the members at the Extra-ordinary General Meeting held on January 28, 2025, in accordance with the provisions of Sections 149, 150, 152, and 161, read with Schedule IV and other applicable provisions of the Companies Act, 2013, and the Listing Regulations.

   Brief Profile: Mr. Deepak Kabra is an accomplished banking and finance professional with over two decades of experience specializing in Small and mid-corporate banking, project finance, and business development. Has served as the Country Head for Small and Medium Enterprises and Executive Vice President at IndusInd Bank, he leads complete ecosystem banking for SME's. His previous role includes senior leadership position at YES bank and ICICI Bank predominantly in small and mid-corporate space. Mr. Deepak Kabra also gained valuable experience in marketing and sales during his tenure at Tata Chemicals Ltd With a proven track record of driving growth and innovation, he is recognized for his expertise in structured finance, corporate banking, and strategic leadership. Mr. Deepak Kabra is also a fellow member of ICAI

b) **Mr. Murali Krishna Bhupatiraju (DIN: 10883843)**, as per the recommendation of the Nomination & Remuneration Committee and after considering his varied experience, skills, knowledge & capabilities was appointed as Managing Director of the Company, in the Board Meeting held on January 03, 2025 for a term of 5 years, in accordance with the provisions of section 161 of the Companies Act, 2013 read with the Articles of Association of the Company. Further, his appointment was further regularized by the members at the Extra-ordinary General Meeting held on January 28, 2025.

   Brief Profile: Mr. Murali Krishna Bhupatiraju is a multi-disciplined executive with holistic approach integrating Engineering, Operations, and Strategy. He is passionate about developing the next generation of manufacturing leaders in India using lean and visual process. Mr. Murali Krishna Bhupatiraju brings subject matter expertise in

Operations Management, Corporate Finance, and Metal Forming. He has over 25 years of industry experience in leading companies to identify value opportunities, drive change, and standardize operating systems. He held techno-commercial leadership roles at Bharat Forge America (President & CFO), Dyson Corporation (CFO), and Gerdau Macsteel (General Manager). He also holds advanced degrees in Industrial Engineering (Ohio State), Management (Michigan State), and Computer Science (Georgia Tech).

Key Managerial Personnel(s):

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Key Managerial Personnel(s)	Designation
1.	Rakesh Chopdar	Wholetime Director, Chairman and CEO
2.	*Murali Krishna Bhupatiraju	Managing Director
3.	Jyoti Chopdar	Wholetime Director
4.	Vishnu Pramodkumar Malpani	Wholetime Director
5.	Ronak Jajoo	Chief Financial Officer
6.	Ful Kumar Gautam	Company Secretary and Compliance Officer

* Appointment as Managing Director on January 03, 2025.

30. DEPOSITS:

During the year under review, the Company has not accepted or renewed any amount falling within the purview of the provisions of Section 73 of the Companies Act, 2013 ("the Act"), read with the Companies (Acceptance of Deposit) Rules, 2014, as amended from time to time. Hence, the requirement for furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

31. PARTICULARS OF REMUNERATION TO EMPLOYEES:

The information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as 'Annexure-D' to this report.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the names of the top ten employees in terms of remuneration drawn, along with particulars of employees drawing remuneration in excess of the prescribed limits, forms part of this Report.

However, pursuant to the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report being circulated to the Shareholders excludes the said statement. Any shareholder interested in obtaining a copy of the statement may request the same by writing to the Company Secretary & Compliance Officer of the Company at cs@azad.in

32. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Policy on Corporate Social Responsibility (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Board, on the recommendation of the CSR Committee, adopted a CSR Policy and annual action plan that strives to meet its societal objectives in accordance with Schedule VII of the Act. The same is available on the Company's website https://www.azad.in/

The Composition of Corporate Social Responsibility Committee is disclosed in the Corporate Governance Report which forms part of this Annual Report.

Further, the report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report at Annexure-E.

33. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

i. That in preparation of the Annual Accounts for the financial year ended 31st March, 2025, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
ii. That such Accounting Policies have been selected and applied by them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period;
iii. That proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv. That the Annual Accounts have been prepared by them on a going concern basis;
v. That they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
vi. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to providing a safe and conducive work environment to its employees. In this regard, your Company has constituted an Internal Complaints Committee (ICC) to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The details of Complaints are mentioned below:

Number of Complaints received during the financial year 2024-25: Nil

Number of Complaints disposed of during the financial year 2024-25:NA

Number of Complaints pending as on 31st March, 2025: NA

35. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the financial year, no application was made by or against the Company, nor is any proceeding pending, under the Insolvency and Bankruptcy Code, 2016.

36. DISCLOSURE ABOUT THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION EXECUTED AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the financial year ended 31st March, 2025, the Company had not entered into any settlement with Banks and Financial Institutions, and hence the said clause is not applicable.

37. AUDITORS:

A. Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W), holding valid certificate issued by the Peer Review board of the ICAI, were appointed as Statutory Auditors of the Company for a period of five years commencing from the conclusion of the Annual General Meeting held for the Financial Year 2022-23 until the conclusion of the Annual General Meeting to be held for the Financial Year 2026-27. Further, M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W),have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company and satisfy the prescribed eligibility criteria.

Further, Auditors' Report, read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2025, are self-explanatory and therefore do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

B. Cost Auditors

The requirement of appointing Cost Auditor is not applicable on the Company pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014. Hence, the Company has maintained cost records and has not appointed any Cost Auditor.

C. Internal Auditors

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Agarwal and Ladda, Chartered Accountants as the Internal Auditors of the Company. The Internal Auditors are submitting their reports on quarterly basis to the Audit Committee and Board of Directors of the Company.

D. Secretarial Auditors

Pursuant to Regulation 24A of the Listing Regulations read with provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is mandated that every listed entity and its material unlisted subsidiaries undertake a Secretarial Audit.

Further, listed entities are required to submit an Annual Secretarial Compliance Report, which shall be signed by the appointed Secretarial Auditor or a Peer Reviewed Company Secretary satisfying the conditions as prescribed by the Securities and Exchange Board of India.

In alignment with the aforementioned regulatory framework including the amendments made by the Securities and Exchange Board of India and the provisions of the Companies Act, 2013 regarding Secretarial Audit and appointment of Secretarial Auditor, the Board of Directors of your Company based on the recommendations of the Audit Committee at its Meeting held on September 08, 2025, approved and recommended to the Shareholders for their approval, appointment of Mr. Ashish Kumar Gaggar, a peer reviewed Company Secretary in whole time practice, as the Secretarial Auditor of the Company for a term of 5 consecutive years starting from 1st April, 2025 to 31st March, 2030.

Mr. Ashish Kumar Gaggar have confirmed that he is not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria

The Secretarial Audit Report for the financial year 2024-2025, issued by Mr. Ashish Kumar Gaggar, Company Secretary in Practice, in Form No. MR-3, is annexed to this Report as **Annexure-B**. The qualifications, reservations, or adverse remarks, along with the Management's explanations, are also detailed in **Annexure-B**. Except for the matters stated therein, the observations made by the Secretarial Auditor in the said Report are self-explanatory and do not require any further comments under Section 134(3)(f) of the Companies Act, 2013.

There is no Material Unlisted Indian Subsidiary of the Company as on 31st March, 2025 and as such the requirement under Regulation 24A of the Listing Regulations regarding the Secretarial Audit of Material Unlisted Indian Subsidiary is not applicable to the Company for financial year 2024-25.

38. CORPORATE GOVERNANCE:

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, Corporate Governance Report and Secretarial Auditor's Certificate regarding compliance of conditions of Corporate Governance forms part of this report.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Chief Executive Officer is enclosed as a part of the Corporate Governance Report.

39. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has implemented robust internal control systems to ensure the effectiveness and efficiency of its operations, reliability of financial reporting, and compliance with applicable laws and regulations which are commensurate with the size, nature of business, geographical presence, and complexity of the business. The governance structure assigns responsibilities to the Committees of the Board, function heads, and process owners. Policies and procedures are reviewed periodically to keep them relevant in the changing business environment. Detailed standard operating procedures and their controls are well documented and embedded in business processes to mitigate risks in operations, reporting, and compliance. Our Company's ERP, system infrastructure and checks are integral parts of the internal control system. Our Company leverages data analytics, predictive and visualisation tools to identify data exceptions and trends, and actively invests in moving from manual to automated controls. A strong compliance management system monitors the compliance status online and updates compliance requirements with the latest changes in statutes and business operations. The Company has strong Internal Audit governance to assure the adequacy and effectiveness of internal controls. This board periodically reviews the adequacy and effectiveness of the Company's internal controls and the implementation of audit recommendations

40. VIGIL MECHANISM:

The Board, at its meeting, has adopted a Vigil Mechanism Policy that provides a formal mechanism for all Directors and employees to report their genuine concerns, ensuring that the activities of the Company are conducted in a fair and transparent manner. This policy enables them to approach the Board of Directors regarding any unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or Ethics. During the year, no complaints were received in this regard.

41. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

A Business Responsibility and Sustainability Report as per Regulation 34 of the Securities and Exchange Board of India, Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company at https://azad.in/company-announcements/

42. MATERNITY BENEFIT:

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

43. DIRECTORS AND OFFICERS (D & O) LIABILITY INSURANCE:

With effect from January 01, 2022, the top 1000 listed entities by market capitalization, calculated as on 31st March of the preceding financial year, was required to undertake Directors and Officers Insurance ('D and O insurance') for all their Independent Directors and Officers of such quantum and for such risks as may be determined by its board of directors.

The company after having discussion with various insurance companies has obtained the Directors and Officers insurance from ICICI Lombard General Insurance Company Limited.

The Board as a general practice is re-assessing the quantum and risk to be covered by the said insurance every year and insurance is being renewed accordingly. The last assessment was done by the Board at its meeting held on May 23, 2025 and the said insurance was renewed w.e.f. April 08, 2025.

44. RECONCILIATION OF SHARE CAPITAL AUDIT:

As required by the Securities and Exchange Board of India, Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital.

The Practicing Company Secretary's Certificate in regard to the same is submitted to BSE and the NSE and is also placed before the Board of Directors.

45. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

During the year under review, industrial relations remained harmonious at all our offices and establishments and the management received full co-operation from the employees

46. ACKNOWLEDGEMENT:

Your Directors take this opportunity to record their sincere appreciation and wish to express their thanks to the Company's clients, bankers, shareholders, and business associates who, through their continued support and cooperation, have helped as partners in your Company's progress.

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: September 08, 2025	**Chairman & CEO**	**Wholetime Director**
Place: Hyderabad	**DIN: 01795599**	**DIN: 10307319**

Annexure – A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures

Part A – Subsidiary

(Information in respect of each subsidiary to be presented with amounts in Rs. in millions)

Particulars	Name of the Subsidiary(ies)	
	Azad VTC Private Limited	Azad Prime Private Limited
The date since when subsidiary was incorporated	March 29, 2024	April 12, 2024
Reporting period, if different from the holding Company	Same as holding company	Same as holding company
Reporting Currency and Exchange Rate as on the Last Date of the Relevant Financial Year in Case of Foreign Subsidiaries:	NA	NA
Share Capital	0.20	0.20
Other Equity/Reserves and Surplus	-4.70	-15.22
Total Assets	97.35	217.49
Total Liabilities	97.35	217.49
Investments	-	-
Turnover	34.50	15.62
Profit/(Loss) before taxation	-4.70	(15.22)
Provision for taxation	-	-
Profit after taxation	-4.70	(15.22)
Proposed Dividend	-	-
Extent of shareholding (in %)	50.99%	50.99%

Notes:

The following information shall be furnished at the end of the statement:

1. Names of Subsidiaries which are yet to Commence Operations: **Not applicable**
2. Names of Subsidiaries which have been Liquidated or Sold during the Year: **Not applicable**

Part B – Associates and Joint Ventures – Not Applicable

Name of associates or joint ventures which are yet to commence operations **Nil**

Names of associates or joint ventures which have been liquidated or sold during the year **Nil**

By order of the Board of Directors of
Azad Engineering Limited

Date: September 08, 2025
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Wholetime Director
DIN: 10307319

Ronak Jajoo
CFO

Ful Kumar Gautam
Company Secretary &
Compliance Officer
Membership No.: F13688

Annexure – B

Secretarial Audit Report

Ashish Kumar Gaggar
Company Secretary in Practice

Flat No.201, IInd Floor, Lake View Towers,
Safari Nagar, Kothaguda,
Kondapur, Hyderabad – 500084
M: 9849223007
Email: **ashishgaggar.pcs@gmail.com**

To
The Members
AZAD ENGINEERING LIMITED
90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad,
Telangana, India, 500055

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS : 6687
CP No. : 7321
PR : 6795/2025
UDIN : F006687G000999008
Date : 13th August 2025
Place : Hyderabad

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31stMARCH 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
AZAD ENGINEERING LIMITED
90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad,
Telangana, India, 500055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**AZAD ENGINEERING LIMITED**" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31stMarch 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on 31stMarch 2025according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;

  (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

  (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;-

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not Applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review];**

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not Applicable as there was no reportable event during the period under review];**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not Applicable as there was no reportable event during the period under review];**

  (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(vi) The Industry Specific Acts, Labour and other applicable laws as provided by the management of the company:

I have also examined compliance with the applicable clauses of following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

ii. The listing agreements entered into by the company with BSE Limited and National Stock Exchange of India Limited (NSE) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except in respect of matters specified in Annexure I.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that based on the information provided and the representation made by the Company, taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS : 6687
CP No. : 7321
PR : 6795/2025
UDIN : F006687G000999008
Date : 13th August 2025
Place : Hyderabad

Annexure I

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response
1	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Regulation 23 (9)	Non-compliance with disclosure of related party transactions on consolidated basis for the half year ended 31st March 2024	BSE Limited and National Stock Exchange of India Limited	Fines imposed (Penal Action for Non-Compli-ance)	Non-compliance with disclosure of related party transactions on consolidated basis.	Rs. 11800/- by BSE and Rs. 11800/- by National Stock Exchange of India Limited	The Company has duly paid the Fine.	The Company has duly paid the Fine.
2	SEBI (SAST) Regulations, 2011	Regulation 31(4)	Late submission of Declaration under Regulation 31(4) of SEBI (SAST) Regulations, 2011 from the Promoters of the Company	BSE Limited	Query received for Clarification from BSE Limited	Delay in submissionof Declaration under Regulation 31(4) of SEBI (SAST) Regulations, 2011	-	Delay in submissionof Declaration under Regulation 31(4) of SEBI (SAST) Regulations, 2011	This is to clarify that we have received the confirmation from the promoter of the company on April 05, 2024 and this being the first year post the listing of the company on December 28, 2023 the confirmation was awaited from the statutory auditors in order to capture the same in the yearly financials, hence the delay. However, we have complied with the provision on April 22, 2024 and going ahead we give assurance to you that the disclosures will be in the stipulated time frame.
3.	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015	clause 12 and 13 of Schedule B	The Company has failed to intimate to the stock exchange about the Violation of Code of conduct by certain designated person and the Company is yet to impose penalty for such Violations			The Company has failed to intimate to the stock exchange about the Violation of Code of conduct by certain designated person and the Company is yet to impose penalty for such Violations		The Company has failed to intimate to the stock exchange about the Violation of Code of conduct by certain designated person and the Company is yet to impose penalty for such Violations	This is under review, and appropriate action will be initiated as per our policy on prohibition of insider Trading.

Annexure-C

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

1.	The steps taken or impact on conservation of energy.	Efforts are taken to conserve energy to the best possible extent.
2.	The steps taken by the Company for utilizing alternate source of energy.	
3.	The capital investment on energy conservation equipment.	NIL

(B) Technological Absorption:

1.	The efforts made towards technology absorption	NIL
2.	The benefits derived like product improvement, cost reduction, product development, or import substitution	NIL
3.	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : (a) the details of technology imported; (b) the year of import; (c)Vwhether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
4.	Expenditure incurred on research and development.	NIL

(C) Foreign Exchange Earnings and Outgo:

1.	Foreign Exchange Earnings in terms of actual inflow during the year	₹3,69,90,06,044
2.	Foreign Exchange outgo in terms of actual outflows	₹ 12,15,43,763

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Wholetime Director
DIN: 10307319

Date: September 08, 2025
Place: Hyderabad

Annexure – D

Information Required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

SL No	Name of Director/KMP and Designation	Remuneration of Director for FY 2024-2025 (In millions)	Ratio of remuneration of director to the Median remuneration
1	Mr. Rakesh Chopdar, Wholetime Director and Chairman & CEO	48.00	162.12
2	Mr. Vishnu Malpani, Wholetime Director	7.42	25.06
3	Mrs. Jyoti Chopdar, Wholetime Director	12.00	40.53
4	Mr. Murali Krishna Bhupatiraju, Managing Director (w.e.f January 03, 2025)	9.99	33.74

Notes:

1. The information provided above is on a standalone basis and is calculated based on remuneration for the financial year 2024-2025.
2. The median remuneration of the Company for all its employees is 0.30/- for the financial year 2024-2025.

ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr No	Name of Director /KMP & Designation	Remuneration of Director / KMP for FY 2024-25 (In Million)	Remuneration of Director / KMP for FY 2023-24 (In Million)	% increase in remuneration in the Financial Year 2024-25
1	Mr. Rakesh Chopdar, Wholetime Director and Chairman & CEO	48.00	43.49	10.37%
2	Mr. Vishnu Malpani, Wholetime Director	7.42	7.20	3.06%
3	Mrs. Jyoti Chopdar, Wholetime Director	12.00	12.00	Nil
4	Mr. Murali Krishna Bhupatiraju, Managing Director (w.e.f January 03, 2025)	9.99	-	NA
5	Mr. Ronak Jajoo, Chief Financial Officer	5.28	5.29	-0.19%
6	Mr. Ful Kumar Gautam, Company Secretary & Compliance Officer	2.13	1.92	10.94%

(ii) the percentage increase in the median remuneration of employees in the financial year:

Particulars	2024-2025	2023-2024	Increase/ (Decrease) (%)
Median Remuneration of All Employees (Per Annum):	0.30	0.24	22.4 %

(iii) the number of permanent employees on the rolls of company: 1453

(iv) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The aggregate remuneration of employees excluding managerial personnel grew by 30.96% over the previous financial year. The aggregate remuneration for KMPs grew by 21.34 % over the previous financial year. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per industry benchmarks. There was no exceptional circumstance or increase for managerial personnel in the last financial year.

Note: The above information is being provided on Standalone Basis.

(v) Affirmation that the Remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: September 08, 2025	**Chairman & CEO**	**Wholetime Director**
Place: Hyderabad	**DIN: 01795599**	**DIN: 10307319**

Annexure – E

Annual Report On CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

<table>
<tr><th>Sr no</th><th colspan="2">Particulars</th><th colspan="4">Compliance</th></tr>
<tr><td>1</td><td colspan="2">Brief Outline on the CSR Policy of the Company</td><td colspan="4">As an integral part of our commitment to good corporate citizenship, we at Azad Engineering Limited believe in actively contributing to the improvement of the quality of life of people in the communities we serve, with a special preference for the local areas around our business operations.

The Company's CSR efforts focus on key areas such as Health, Education, Environment, and Employability interventions for relevant target groups, ensuring diversity and prioritizing support to needy and deserving communities across India.

The CSR Policy adopted by the Company encompasses all the activities prescribed under Schedule VII of the Companies Act, 2013.</td></tr>
<tr><td rowspan="5">2</td><td colspan="2" rowspan="5">Composition of CSR Committee</td><th>Name of members of the committee</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>Mr. Rakesh Chopdar</td><td>Chairperson of the Company, Whole-Time Director and CEO, Chairman of CSR Committee</td><td>2</td><td>2</td></tr>
<tr><td>Mr. Vishnu Malpani</td><td>Member of committee, Wholetime Director</td><td>2</td><td>2</td></tr>
<tr><td>Mr. Murali Krishna Bhupatiraju</td><td>Member of committee, Managing Director</td><td>2</td><td>NA</td></tr>
<tr><td>Mr. Michael Joseph Booth</td><td>Member of committee, Independent Director</td><td>2</td><td>2</td></tr>
<tr><td>3</td><td colspan="2">Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company</td><td colspan="4">https://www.azad.in/policies/</td></tr>
<tr><td>4</td><td colspan="2">Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable</td><td colspan="4">Not Applicable</td></tr>
<tr><td rowspan="3">5</td><td>(a)</td><td>Average net profit of the company as per sub-section (5) of section 135</td><td colspan="4">Rs. 409.50 Millions</td></tr>
<tr><td>(b)</td><td>Two percent of average net profit of the company as per sub-section (5) of section 135</td><td colspan="4">Rs. 8.19 Millions</td></tr>
<tr><td>(c)</td><td>Surplus arising out of the CSR projects or programmes or activities of the previous financial years</td><td colspan="4">Not Applicable</td></tr>
</table>

Sr no	Particulars		Compliance
	(d)	Amount required to be set off/carried forward for the financial year, if any	(Rs. 5.53 Millions)
	(e)	Total CSR obligation for the financial year (b+c-d)	Rs. 13.72 Millions
6	(a)	Amount spent on CSR projects (both Ongoing Project and other than Ongoing Projects)	15.29 Millions
	(b)	Amount spent in Administrative Overheads	Not Applicable
	(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
	(d)	Total amount spent for the Financial Year [a+b+c]	15.29

6. e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section(6) of section135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section(5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NA					

f) Excess amount for set-off, if any:

Sr No	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	8.19 Millions
(ii)	Total amount spent for the Financial Year:	9.76 Millions
(iii)	Excess/(Short) amount spent for the financial year [(ii)-(i)]	1.57Millions
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	0
(v)	Amount available for set-off in succeeding financial years [(iii) - (iv)]:	1.57 Millions

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year: Not Applicable

Sl. No	Short particulars of the property or asset(s) (Including complete address and location of the property)	Pin-code of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: NA

By order of the Board of Directors of
Azad Engineering Limited

Date: September 08, 2025
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Wholetime Director
DIN: 10307319

Ronak Jajoo
CFO

Ful Kumar Gautam
Company Secretary &
Compliance Officer
Membership No.: F13688

Annexure F

Disclosures in compliance with SEBI (Share Based Employee Benefits and Sweat Equity)Regulations, 2021 ("SEBI SBEB Regulations")and Section 62(1)(b) of the Companies Act, 2013read with the Companies(Share Capital and Debentures) Rules, 2014]

The Members in the Extraordinary General Meeting held on January 28, 2025 has approved "Azad ESOP Scheme, 2024" (Scheme) to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of eligible employees (as defined in the Scheme) employee stock options (Options) not exceeding 2% (two percent) of the paid-up share capital of the Company as on January 03, 2025 exercisable into 11,82,259 equity shares of the Company, in one or more tranches, at such price or prices, and on such terms and conditions as may be fixed or determined in accordance with the Scheme and in compliance with the Applicable Laws. The necessary approval from members was also accorded to extend the benefits and coverage of such Scheme to the eligible employees of the group company(ies), associate company(ies), subsidiary company(ies) whether in India or outside India or of a holding company of our Company.During the financial year 2024–2025, the Company has not granted any stock options under the Scheme.

The Azad ESOP Scheme, 2024 of the Company is available on the website of the Company at https://azad.in/wp-content/uploads/2025/07/ESOP-policy.pdf.

Disclosures

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time: **Not Applicable. During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard (IND AS) 33- Earning per share' (Erstwhile 'Accounting Standard 20 - Earnings Per Share') issuedby Central Government or any other relevant accounting standards as issued from time to time **Not Applicable. During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**

C. Details related to the Scheme:

A description of each Options that existed at any time during the year, including the general terms and conditions of each Options, including

a)	Date of shareholders' approval	28th January 2025
b)	Total number of options approved under the Scheme	11,82,259
c)	Vesting requirements	There shall be a minimum period of one year between the Grant Date of an Option and the date on which such Option Vests (Minimum Vesting Period) unless a longer period is prescribed by the Committee in the Letter of Grant. Subject to the Vesting Conditions and the other terms and conditions of the Scheme, the Options granted to an Option Grantee would, unless otherwise set out in the Employee Stock Option Agreement, Vest over a period of 4 years such that 25% of the Options granted shall Vest on the expiry of the Minimum Vesting Period and the remaining Options granted to the Option Grantee shall Vest over the immediately following 3 years in equal annual instalments. Notwithstanding the foregoing, in the event that Options are granted by the Company under this Scheme in lieu of options held by the same person under an employee stock option plan in another company, which has merged or amalgamated with the Company, the period during which the options granted by the merging or amalgamating company were held by such person shall be adjusted against the Minimum Vesting Period.

d)	Exercise price or pricing formula	Exercise Price means the price per Vested Option, determined by the NRC, which shall be set out in the Employee Stock Option Agreement and the Letter of Grant that is payable by an Option Grantee at the time of Exercise
e)	Maximum term of options granted	5 Years
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	**Not Applicable.**
h)	Method used to account for Scheme- Intrinsic or fair value	Fair Value
i)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	**During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**
j)	Option movement during the year: (i) Number of options outstanding at the beginning of the period (ii) Number of options granted during the year (iii) Number of options forfeited / lapsed during the year (iv) Number of options vested during the year (v) Number of options exercised during the year (vi) Number of shares arising as a result of exercise of options (vii) Money realized by exercise of options (INR), if scheme is implemented directly by the company (viii) Loan repaid by the Trust during the year from exercise price received (ix) Number of options outstanding at the end of the year (x) Number of options exercisable at the end of the year	**NIL During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**

k) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: **Not Applicable. During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**

l) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to :

Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	**Not Applicable. During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

m) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information –

The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	**Not Applicable. During the Financial Year 2024-25, the Company has not granted any options to the eligible employees under the Scheme.**
The method used and the assumptions made to incorporate the effects of expected early exercise;	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	

Disclosures in respect of grants made in three years prior to IPO under each scheme: Not Applicable

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: September 08, 2025	**Chairman & CEO**	**Wholetime Director**
Place: Hyderabad	**DIN: 01795599**	**DIN: 10307319**

Corporate Governance Report

In compliance with Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as Listing Regulations), Azad Engineering Limited ("the Company") has been prepared in compliance to the requirements of Regulations 17 to 27, read with Schedule V and Clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), as applicable, with regard to corporate governance.

A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OFGOVERNANCE

Corporate Governance is the system by which Companies are directed and controlled by the Management in the best interest of the Shareholders and others. Over the years, the Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. Corporate Governance, therefore, generates long term economic value for its Stakeholders.

The Company's Corporate Governance philosophy is based on maintaining transparency and a high degree of disclosure levels. This philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for Board of Directors and Senior Management Personnel of the Company, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Azad Engineering Limited believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with Corporate Governance.

BOARD OFDIRECTORS

(a) Composition and Category of Directors:

The Board of Directors along with its committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at the financial year ended March 31, 2025, the Board of Directors ("Board") consists of (8) Eight Directors having considerable experience in their respective fields. The Board comprises (4) Four Executive Directors and (4) Four Independent Non-Executive Directors, including one (1) Woman Independent Director and (1) one women Executive Director.

The Chairman of the Board is an Executive-Promoter Director.

The composition of the Board of Directors is in conformity with Regulation 17 of the listing regulations of SEBI (LODR) and the composition of the Board represents an optimum combination of knowledge, experience and skills from diverse fields including manufacturing, finance, economics, law, governance, etc. which are required by the Board to discharge its responsibilities effectively. The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of Business Strategy, Management, Accounts, Finance Compliance, Legal etc. and play a critical role on strategic issues and add value in the decision making process of the Board of Directors.

(b) Number of Meetings of the Board of Directors held with the dates, attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting, disclosure of relationships between Directors inter-se, Number of Shares held by Directors:

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings during the financial year 2024-25.

During the Financial Year 2024-25, the Board met 10 times on the following dates :

1. May 08, 2024
2. May 21, 2024
3. August 08, 2024
4. September 03, 2024
5. November 11, 2024

6. December 07, 2024
7. January 03, 2025
8. January 20, 2025
9. February 04, 2025
10. February 25, 2025

(c) Details of Directors, details of attendance of Directors at Board Meetings and at the last Annual General Meeting, disclosure of relationship between Directors inter-se, and the number of shares held by Directors:

Name of the Directors and their DIN	Category of Director	Number of Board Meetings Held during the year 2024-2025		Whether attended last Annual General Meeting held on September 27, 2024	Relationship between Directors inter-se	Number of shares held by Directors as on March 31, 2025
		Entitled	Attended			
Rakesh Chopdar (01795599)	Executive-Wholetime Director, Chairman & CEO	10	10	Yes	Spouse of Jyoti Chopdar	38330255
Jyoti Chopdar (03132157)	Executive-Wholetime Director	10	9	Yes	Spouse of Rakesh Chopdar	144000
Vishnu Malpani (10307319)	Executive-Wholetime Director	10	10	Yes	-	148654
*Murali Krishna Bhupatiraju (10883843)	Executive-Managing Director	3	3	NA		0
Madhusree Vemuru (10304579)	Non-Executive-Independent	10	10	Yes	-	0
Subba Rao Ambati (01722940)	Non-Executive-Independent	10	10	Yes	-	0
Michael Joseph Booth (10309295)	Non-Executive-Independent	10	10	Yes	-	0
*Deepak Kabra (10878892)	Non-Executive-Independent	3	3	NA	-	0

* appointed w.e.f January 03, 2025

The Company has not issued any Convertible Instruments and hence the disclosure requirements in this regard are not applicable to the Company.

Number of Directorships and Committee Memberships/Chairpersonships, including the names of the listed entities where the person is a Director and the category of Directorship as on date of this report:

Name of the Directors and their DIN	Category of Directors	Number of other Directorships/Committee Memberships / Chairpersonships			Listed Companies	
		(#) Other Directorship	Committee (*)		Names of the Other Listed Companies	Category of Directorship in such Listed Companies
			Membership of other Companies	Chair-personship of Companies		
Rakesh Chopdar (01795599)	Executive-Chairman & CEO	5	-	-	-	-
Jyoti Chopdar (03132157)	Executive-Wholetime Director	7	-	-	-	-
Vishnu Malpani (10307319)	Executive-Wholetime Director	-	-	-	-	-

Name of the Directors and their DIN	Category of Directors	Number of other Directorships/Committee Memberships / Chairpersonships			Listed Companies	
		(#) Other Directorship	Committee (*)		Names of the Other Listed Companies	Category of Directorship in such Listed Companies
			Membership of other Companies	Chair-personship of Companies		
Murali Krishna Bhupatiraju (10883843) (appointed w.e.f January 03, 2025)	Executive-Managing Director	-	-	-	-	-
Madhusree Vemuru (10304579)	Non-Executive-Independent	2	-	-	-	-
Subba Rao Ambati (01722940)	Non-Executive-Independent	1	-	-	-	-
Michael Joseph Booth (10309295)	Non-Executive-Independent	-	-	-	-	-
Deepak Kabra (10878892) (appointed w.e.f January 03, 2025)	Non-Executive-Independent	1				

(*) Committee refers to Audit Committee and Stakeholders' Relationship Committee only of other Companies, whether listed or not. (#) Other Directorship excludes Directorship of Foreign Companies and Our Company.

All the directors including Independent Directors are in compliance with the Regulations of Listing regulations.

Board Procedure

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision-making. The Board members are, on a quarterly basis, appraised by the Chairman on the overall performance of the Company through presentations and detailed notes. In addition to Board Members and the Company Secretary & Compliance Officer, these Meetings are attended by the Chief Financial Officer and, as necessary, Heads of various Corporate Functions.

The Board of Directors of your Company closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organisational growth. Your Board ensures statutory and ethical conduct and places high importance on the internal financial reporting.

Your Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meetings in an informed and efficient manner. Regular inputs and feedback of Board Members are taken and considered while preparing the agenda and related documents for the Board and Committee Meetings. The Board also has access to the Members of the Management and to the Company related information.

Web link of Familiarization Programme imparted to Independent Directors:

A newly appointed Independent Director is provided with an appointment letter along with their roles, duties & responsibilities and the Company's Code of Conduct for Directors, etc. as may be applicable to them. Each newly appointed Independent Director is taken through an induction and familiarisation programme including the presentation and interactive session with the CEO, Executive Director, other Functional Heads on the Company's manufacturing, marketing and other important aspects. The Company Secretary & Compliance Officer briefs the Director about their legal & regulatory responsibilities as a Director. The programme also includes visit to the plant(s) to familiarise them with all facets of manufacturing.

Details of the Familiarization Programme imparted to Independent Directors have been disclosed on the website of the Company. The same can be viewed at https://azad.in/company-announcements/

INDEPENDENT DIRECTORS

Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 21st May 2024 with the following agenda:

- review performance of Non-Independent Directors, the Board of Directors as a whole and Committees of the Board;
- review performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties;

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. Terms of Appointment of Independent Directors is available on the website of your Company and can be accessed through the link https://azad.in/wp-content/uploads/2024/04/Terms-of-Appointment-of-Independent-Directors.pdf

Matrix setting out the skills/expertise/competence of the Board of Directors:

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise and special skills. The Board has identified the following skills /expertise / competencies fundamental for the effective functioning of the Company:

The table below depicts the core skills / expertise / competence of the Individual Directors:

Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
Manufacturing and supplying products	Mr. Rakesh Chopdar
Business Strategy and Management	Mr. Vishnu Malpani
Accounts and Finance, Financial Management, Taxation	Mrs. Madhusree Vemuru
Corporate Governance, Administration	Mrs. Jyoti Chopdar
	Mr. Michael Joseph Booth
Legal and Compliance	Mr. Subba Rao Ambati
Structured finance, Corporate Banking	Mr. Deepak Kabra
Operations Management, Corporate Finance, and Metal Forming	Mr. Murali Krishna Bhupatiraju

The present Board has the aforesaid skills / expertise / competencies for taking decisions and framing policies and strategies for the Company. In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of management.

COMMITTEES

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The minutes of Committee meetings are tabled at the Board meetings, and the Chairperson of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

AUDIT COMMITTEE

Terms of Reference of the Audit Committee:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

1. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
2. changes, if any, in accounting policies and practices and reasons for the same;
3. major accounting entries involving estimates based on the exercise of judgment by management;
4. significant adjustments made in the financial statements arising out of audit findings;
5. compliance with listing and other legal requirements relating to financial statements;
6. disclosure of any related party transactions; and
7. modified opinion(s) in the draft audit report.

(e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the Company, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) identification of list of key performance indicators and related disclosures in accordance with the SEBI ICDR Regulations for the purpose of the Company's proposed initial public offering;

(v) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing; and

(x) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

(y) carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and

(z) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.

The Audit Committee shall mandatorily review the following information:

I. management discussion and analysis of financial condition and results of operations;

II. management letters / letters of internal control weaknesses issued by the statutory auditors;

III. internal audit reports relating to internal control weaknesses;

IV. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

V. statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

VI. Financial statements, in particular, the investments made by any unlisted subsidiary; and

VII. Such information may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of Audit Committee, Meetings & Attendance during the year 2024-25:

The Audit Committee comprises three Directors as on March 31, 2025, with Mrs. Madhusree Vemuru serving as the Chairperson of the Committee. The composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder, and Regulation 18 of the Listing Regulations.

During the Financial Year 2024-25, the Audit Committee met seven times on the following dates:

1. May 21, 2024
2. August 08, 2024
3. September 03, 2024
4. November 11, 2024
5. January 03, 2025
6. February 04, 2025
7. March 26, 2025

The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the SEBI Listing Regulations and Companies Act, 2013

The details of composition of Audit Committee and the Meetings attended by the Directors are given below :

Name of Director(s)	Position on the Committee	Designation on the board	Number of Meetings Attended during the year	
			Entitled	Attended
Mrs. Madhusree Vemuru	Chairperson	Independent Director	7	7
Mr. Michael Joseph Booth	Member	Independent Director	7	7
Mr. Vishnu Malpani	Member	Whole-time Director	7	7

All Committee members are independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation.

The Chairperson of the Committee Mrs. Madhusree Vemuru attended the 41st Annual General Meeting of the Company held on September 27, 2024.

As of the date of this report, the Audit Committee was reconstituted by the Board of Directors of the Company at its meeting held on 23rd May 2025, with the inclusion of Mr. Deepak Kabra, Independent Director, as a member of the Committee.

The details of the composition of the Audit Committee as on date of this report is given herein below:

Name of Director(s)	Position on the Committee	Designation on the board
Mrs. Madhusree Vemuru	Chairperson	Independent Director
Mr. Michael Joseph Booth	Member	Independent Director
Mr. Vishnu Malpani	Member	Wholetime Director
Mr. Deepak Kabra	Member	Independent Director

NOMINATION & REMUNERATION COMMITTEE

(a) Brief description of Terms of Reference:

The Terms of Reference of Nomination and Remuneration Committee, which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

The brief description of Terms of Reference is given below:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel, senior management and other employees;

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) remuneration to directors, key managerial personnel and senior management involves balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   i. use the services of an external agencies, if required;
   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   iii. consider the time commitments of the candidates.
4. Devising a policy on diversity of Board;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board;
6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommending to the Board, all remuneration, in whatever form, payable to senior management;
8. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
9. Framing suitable policies and systems to ensure that there is no violation, by an employee or any applicable laws in India or overseas; and
10. To do all acts, deeds and things as may be empowered or allowed under the Companies Act, as amended from time to time, and rules made thereunder.

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2024-25:

The composition of Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations.

During the Financial Year 2024-25, the Nomination and Remuneration Committee met Three times on following dates :

1. May 21, 2024
2. September 03, 2024
3. January 03, 2025

The details of composition of the Nomination & Remuneration Committee and the Meetings attended by the Directors are as follows:

Name of the Director(s)	Position on the Committee	Designation on the Board	Number of Meetings Attended during the year	
			Entitled	Attended
Mr. Michael Joseph Booth	Chairperson	Independent Director	3	3
Mr. Subba Rao Ambati	Member	Independent Director	3	3
Mrs. Madhusree Vemuru	Member	Independent Director	3	3

The Chairperson of the Committee Mr. Michael Joseph Booth attended the 41st Annual General Meeting of the Company held on September 27, 2024.

The Company has formulated a Nomination, Remuneration and Board Evaluation Policy as per the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is available on the website of the Company at https://www.azad.in/policies/.

As of the date of this report, the Nomination & Remuneration Committee was reconstituted by the Board of Directors of the Company at its meeting held on 23rd May 2025, with the inclusion of Mr. Deepak Kabra, Independent Director, as a member of the Committee.

The details of the composition of the Nomination & Remuneration Committee as on date of this report is given herein below:

Name of Director(s)	Position on the Committee	Designation on the board
Mr. Michael Joseph Booth	Chairman	Independent Director
Mrs. Madhusree Vemuru	Member	Independent Director
Mr. Suba Rao Ambati	Member	Independent Director
Mr. Deepak Kabra	Member	Independent Director

(c) Details of the evaluation process:

Pursuant to the provisions of the Act, the Listing Regulations and Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors.

A separate exercise was carried out by the NRC to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Board was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors. The performance evaluation of the Managing Director and the Executive Director of the Company was carried out by the Chairman of the Board and other Directors.

Criteria for Committees: The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfillment of the functions assigned to Committees by the Board and applicable regulatory framework, adequacy of time allocated at the Committee Meetings to fulfill duties assigned to it, adequacy and timeliness of the Agenda and Minutes circulated, comprehensiveness of the discussions, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

Criteria for Independent Directors: The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, ability to maintain independence, etc. Performance Evaluation indicators for Independent Directors include contributing to and monitoring Corporate Governance Practices, introduce International Best Practices to address Business Challenges and Risks and Participation in Long Term Strategic Planning.

Criteria for Chairman: The performance evaluation of Chairman of the Board was based on various criteria, inter alia, including style of Chairman's leadership, effective engagement with other Board members during and outside the meetings, allocation of time provided to other Board members at the meetings, effective engagement with shareholders during general meetings, etc.

Criteria for Managing Director and Executive Director: The performance evaluation of Managing Director and Executive Director was based on various criteria, inter alia, including standards of integrity, fairness and transparency demonstrated, identification of strategic targets, anticipation of future demands and opportunities, resource staffing to meet short term and long term goals, engagement with Board members, updating Board on significant issues, commitment to organizational values, vision and mission, adaptation to meet changing circumstances, knowledge and sensitivity of stakeholders' needs within and outside the Company.

Results of Evaluation:

The results of the Evaluation for the year under review were shared with the Board, Chairman of respective Committees and individual Directors. The results of Evaluation showed high level of commitment and Engagement of Board, its various Committees and Senior leadership. As part of the outcome of the Performance Evaluation exercise it was noted that the Board is Independent, operates at a high level of Governance Standards and is committed to creating value for all stakeholders. It was also noted that the Meetings of the Board are well planned and run effectively by the Chair, its Committees are managed well and continue to perform on their respective focus areas of Governance and Internal Controls.

The evaluation outcomes for the year under review were thoroughly deliberated upon with the Board Members, Committee Chairpersons, and individual Directors. The Board Evaluation reaffirms the Board's strong commitment to governance and strategic oversight, as evidenced by the proactive leadership of its members, the effectiveness of Committees and the engagement of senior management. A key insight highlights the Board's independence and steadfast dedication to upholding rigorous governance standards, ensuring transparency and fostering sustainable value creation for stakeholders. The evaluation also highlights the efficiency and strategic organization of Board Meetings, which are meticulously planned and effectively led by the Chair to ensure productive discussions and informed decision-making. Additionally, the Committees have also showcased effective management and performance, particularly in governance and internal controls, reflecting their dedication to maintaining high standards in their respective areas of focus.

Based on the outcome of the performance evaluation for the year under review, the Board has agreed to maintain the High Standards of Governance, Visibility and Interaction in the coming years.

The Directors expressed their satisfaction with the Evaluation process. During the year under review, the board and NRC ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of the Board and Committees and individual Directors.

Further, in terms of the requirement as contained in Schedule IV of the Companies Act, 2013 and Regulation 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company at their meeting held on May, 23, 2025 inter alia:

- o reviewed performance of Non-Independent Directors, the Board of Directors as a whole and Committees of the Board;
- o reviewed performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors;
- o assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties;

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

REMUNERATION TO DIRECTORS

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. The Nomination and Remuneration Policy of the Company is available on the website of the Company at https://www.azad.in/policies/

The elements of remuneration package of Executive Directors include salary, benefits, stock options, provident fund, etc. and is decided based on the individual performance as well as performance of the Company, inflation, prevailing industry trends and benchmarks. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board of Directors or any Committee thereof, as approved by the Board of Directors.

All the Non-Executive Independent Directors except Executive Directors, are being paid sitting fees of ₹30,000/- for attending the meetings of the Board and ₹12,000/- for attending meetings of the Committees thereof, including any adjournments, or reimbursements of their expenditure for the meetings. Further the Board of Directors of the Company at their meeting held on 3rd January 2025 revised the sitting fees of ₹70,000/- for attending the Meeting of the Board and ₹20,000/- for attending meetings of the Committees thereof to be paid to the Non-Executive Independent Directors w.e.f. 3rd January 2025. There were no other pecuniary transactions of the Non-Executive Directors vis-à-vis the Company for the year 2024-25.

The details of payment to Non-Executive Independent Directors for the financial year 2024-25 are as under:

(₹ In Lakhs)

Name of Director	Sitting Fees*	Professional Fees	Remuneration (Commission)	Total
Mrs. Madhusree Vemuru	6.60	-	-	6.60
Mr. Subba Rao Ambati	5.28	-	-	5.28
Mr. Michael Joseph Booth	6.92	-	-	6.92
Mr. Deepak Kabra	2.1	-	-	2.10

(*) Includes sitting fees paid for Board and Committee Meetings.

The details of payment to Executive Director for the financial year 2024-25 are as under: (₹In millions)

Name of Director	Remuneration (Salary, Perquisites & Incentives)	Sitting Fees	Professional Fees	Commission	Total
Mr. Rakesh Chopdar	48.00	-	-	-	48.00
Mrs. Jyoti Chopdar	12.00	-	-	-	12.00
Mr. Vishnu Malpani	7.42	-	-	-	7.42
Mr. Murali Krishna Bhupatiraju	9.99	-	-	-	9.99

Remuneration to the Executive Directors is fixed by Company on the basis of the approval obtained from the Board of Directors and Shareholders at respective Meetings. No performance linked incentives were paid to any of the Directors during Financial Year 2024-25

Criteria for making payment to Non-Executive Directors is disclosed on the Company's website. The same can be viewed at: https://www.azad.in/policies/

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a duly Constituted Stakeholders' Relationship Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) Brief description of Terms of Reference:

The brief description of Terms of Reference is given below:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for the effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
5. carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2024-25:

During the Financial Year 2024-25, Stakeholders' Relationship Committee met on 21st May, 2024.

The details of composition of the Stakeholders' Relationship Committee and the Meetings attended by the Directors are as follows:

Name	Position on the Committee	Designation on the Board	Number of Meetings Attended during the year	
			Entitled	Attended
Mr. Subba Rao Ambati	Chairperson	Independent Director	1	1
Mr. Rakesh Chopdar	Member	Whole-time Director	1	1
Mr. Vishnu Malpani	Member	Whole-time Director	1	1

As of the date of this report, the Stakeholders Relationship Committee was reconstituted by the Board of Directors of the Company at its meeting held on 23rd May 2025, with the inclusion of Mr. Murali Krishna Bhupatiraju, Managing Director, as a member of the Committee.

The details of the composition of the Stakeholders Relationship Committee as on date of this report is given herein below:

Name of Director(s)	Position on the Committee	Designation on the board
Mr. Suba Rao Ambati	Chairman	Independent Director
Mr. Rakesh Chopdar	Member	Chairman & CEO
Mr. Vishnu Malpani	Member	Wholetime Director
Mr. Murali Krishna Bhupatiraju	Member	Managing Director

The Stakeholders Relationship Committee specifically looks into various aspects of interest of shareholders and other security holders, if any. Oversees the redressal of complaints of investors for matters like transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also takes note of share transfer and issue of share certificates/Letter of Confirmations.

Name of Non-Executive Independent Director heading the committee	Mr. Subba Rao Ambati
Name and designation of the Compliance Officer	Mr. Ful Kumar Gautam, Company Secretary & Compliance Officer
Number of Shareholders complaints received during the Financial Year 2024-25	27
Number of complaints solved to the satisfaction of shareholders as on 31st March 2025	27
Number of complaints not solved to the satisfaction of shareholders as on 31st March 2025	0
Number of pending complaints	0

The Chairperson of the Committee Mr. Subba Rao Ambati attended the 41st Annual General Meeting of the Company held on September 27, 2024.

Updated framework for managing and monitoring investor complaints received via SCORES:

SEBI has advised shareholders to initially contact the company directly with their grievances. If the company does not resolve the shareholders' complaint within the specified timeframe, they may then file a complaint with SEBI/ Stock Exchanges for further action.

Furthermore, SEBI, through its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated 20th September, 2023, in conjunction with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated 1st December, 2023, has announced an updated framework for managing and monitoring investor complaints received via the SCORES platform by both the company and designated Stock Exchanges. This framework is effective from 1st April, 2024. Shareholders can access the new SCORES 2.0 version at https://scores.sebi.gov.in.

Online Dispute Resolution Portal:

SEBI, through Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July, 2023 (now part of SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 28th December, 2023), has issued guidelines for the online resolution of disputes within the Indian securities market. This initiative aims to streamline the existing dispute resolution mechanism by empowering Stock Exchanges and Depositories. It introduces a unified Online Dispute Resolution Portal (ODR Portal) that utilizes online conciliation and arbitration methods to address disputes arising in the Indian securities market.

The said Circular, inter alia, details about the following key aspects:

- Investors, listed companies, specified intermediaries and regulated entities have been covered under the ambit of ODR Portal;
- Introduction of a common ODR Portal;
- Process for initiation of the dispute resolution process on ODR Portal;
- Procedure for conciliation and arbitration, its form of proceedings and fees & charges thereto; and
- Roles and responsibilities of Market Infrastructure Institutions like Stock Exchanges and Depositories and Market Participants like listed entity and RTA.

Further, the shareholders can access the ODR Portal at https://smartodr.in/login

SEBI Investor Website:

SEBI has recently launched its new Investor website, which provides valuable information on personal finance and investments beneficial for both existing and new investors. Additionally, the website features educational videos created by Market Infrastructure Institutions that explain the processes and raise awareness about the securities market.

The website aims to empower individuals to manage their finances effectively, thereby enhancing their investment journey. It offers guidance on financial management and making prudent financial decisions independently. The financial awareness content, tools, and calculators available on the website cater to people of diverse backgrounds, ages, and income levels, helping them take charge of their financial decisions.

The SEBI Investor website encourages confident and informed participation in the securities market by investors. Investors are encouraged to visit the website at https://investor.sebi.gov.in/ for access to these resources.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") of the Company is constituted in compliance with Regulation 21 of the Listing Regulations

(a) Brief description of Terms of Reference:

The Terms of Reference of the Risk Management Committee are in accordance with the requirements of Regulation 21 of the Listing Regulations, read with Part D of Schedule II of the Listing Regulations.

The brief description of Terms of Reference is given below:

1. To formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2024-25:

The composition of Risk Management Committee is in compliance with Regulation 21 of the Listing Regulations.

During the Financial Year 2024-25, the Risk Management Committee met Two times on following dates :

1. 21st May, 2024
2. 16th December, 2024

Name of the Director(s)	Position on the Committee	Designation on the board	Number of Meetings Attended during the year	
			Entitled	Attended
Mrs. Madhusree Vemuru	Chairperson	Independent Director	2	2
Mr. Michael Joseph Booth	Member	Independent Director	2	2
Mr. Vishnu Malpani	Member	Whole- time Director	2	2

As of the date of this report, the Risk Management Committee was reconstituted by the Board of Directors of the Company at its meeting held on 23rd May 2025. The reconstitution involved the inclusion of Mr. Suba Rao Ambati and Mr. Deepak Kabra, Independent Directors, as members of the Committee, and the exclusion of Mr. Michael Joseph Booth, Independent Director, from the Committee.

The details of the composition of the Risk Management Committee as on date of this report is given herein below:

Nameof the Director(s)	Position on the Committee	Designation on the board
Mrs. Madhusree Vemuru	Chairperson	Independent Director
Mr. Deepak Kabra	Member	Independent Director
Mr. Vishnu Malpani	Member	Whole- time Director
Mr. Suba Rao Ambati	Member	Independent Director

The Chairperson of the Committee, Mrs. Madhusree Vemuru attended the 41st Annual General Meeting of the Company held on 27thSeptember , 2024.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board.

The Company has adequate internal control systems and procedures to combat risks. The Risk management procedures are reviewed by the Audit Committee and the Board of Directors also on a quarterly basis at the time of review of the Quarterly Financial Results of the Company. The policy on Risk Management is available on the Company's website at https://www.azad.in/policies/

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large.

The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2024-25:

The composition of Corporate Social Responsibility Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013 read with relevant Rules.

During the Financial Year 2024-25, the Corporate Social Responsibility Committee met Two times on following dates:

1. 21st May, 2024
2. 29th March, 2025

Name of the Director(s)	Position on the Committee	Designation on the board	Number of Meetings Attended during the year	
			Entitled	Attended
Mrs. Rakesh Chopdar	Chairperson	Whole-time Director	2	2
Mr. Vishnu Malpani	Member	Whole-time Director	2	2
Mr. Michael Joseph Booth	Member	Independent Director	2	2

As of the date of this report, the Corporate Social Responsibility Committee was reconstituted by the Board of Directors of the Company at its meeting held on 23rd May 2025, with the inclusion of Mr. Murali Krishna Bhupatiraju, Managing Director, as a member of the Committee.

The details of the composition of the Corporate Social Responsibility Committee as on date of this report is given herein below:

Name of the Director(s)	Position on the Committee	Designation on the board
Mrs. Rakesh Chopdar	Chairperson	Chairman & CEO
Mr. Vishnu Malpani	Member	Wholetime Director
Mr. Michael Joseph Booth	Member	Independent Director
Mr. Murali Krishna Bhupatiraju	Member	Managing Director

i. SENIOR MANAGEMENT

The senior management personnel of the Company are mentioned below:

We also have an experienced senior management team which includes our Head – Engineering & Operations, Ashok Gentyala; our Head – Business Growth, Balaji P.R.; our Head – Supply Chain, Dinesh J Shetty; our Head – Analytics & IT, Atin Agarwal; our Head – Program Management, Matthew Richard Childs; our Executive General Manager – Operations, Kumaravel Padavettan; our Executive General Manager – Projects, Shalideen S.; Upendra Tummala - Head – Business Excellence; Nitin Kumar - Business Head – Aero Engines; Sridhar G - Business Head – Oil & Gas and our Head – Quality Management Systems, Silpa Kanaka Bellamkonda. Their industry experience has enabled us to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. Our leadership team has strong understanding of customer requirements combined with technical know-how that enables product innovation and new product development.

ii. GENERAL BODY MEETINGS

The particulars of the last three Annual General Meetings (AGM) of the Company, if any, are given hereunder:

Financial Year	Date and Time	Location	Special Resolution passed
2023-24	September 27, 202403:00 P.M.	Video-Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") at Registered office	Nil
2022-23	September 26, 2023 10:30 A.M.	Video-Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") at Registered office	3. To consider and approve amendment of the articles of association. 4. To appoint Mr. Subba Rao Ambati (DIN:01722940) as independent director (non-executive).
2021-22	December 29, 2022 05:00 P.M.	Registered Office	Nil

No Special Resolution is proposed to be conducted through Postal Ballot.

Postal Ballot

During the year, no special resolution was passed through Postal Ballot.

iii. MEANS OF COMMUNICATION

The Quarterly Financial Results of the Company are submitted to the Stock Exchanges immediately after they were approved by / taken on record by the Board and are being published normally in Telegu Newspaper (Surya) and English Newspaper (Business Standard). The said results along with official news releases and presentations made to the institutional investors / analysts are being submitted to the stock exchanges and hosted on the Company's website viz.: www.azad.in

The Company's website contains a separate dedicated section titled 'Investors'. It contains a comprehensive database of information of interest to our investors, including the financial results and Annual Report of the Company. Basic information about the Company in terms of the Listing Regulations is provided on the Company's website and is updated regularly.

Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI (LODR) Regulations, 2015 and other applicable SEBI Regulations. The Company is maintaining a functional website and has disclosed all the information stipulated under Regulation 46 and other applicable regulations of the SEBI (LODR) Regulations, 2015. The same can be accessed at the website of the Company viz. www.azad.in

iv. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting(AGM):

Date: September 30, 2025

Day : Tuesday

Time: 4:00 P.M. (IST)

Venue/Mode: The Company is conducting the Annual General Meeting through Video Conferencing / Other Audio-Visual Means facility pursuant to the circulars issued by MCA and SEBI from time to time. The Registered Office of the Company shall be the deemed venue of the AGM. For details, please refer to the Notice of the AGM.

(b) Financial Year: The financial year covers the period from April 01 of every year to March 31 of the next year.

(c) Dividend Payment Date: The Board of Directors have not proposed any dividend for financial year ended March 31, 2025.

(d) Listing on Stock Exchanges: The Equity Shares of the Company are listed on the following Stock Exchanges:

I. National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.

II. BSE Limited (BSE)
1st Floor, New Trading Ring Rotunda Building, P.J. J.B Towers, Dalal Streets Fort, Mumbai–400001, Maharashtra, India.

Listing Fees:
Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

(e) StockCode:

Security	ISIN	Stock Code	
		NSE	BSE
EQUITY	INE02IJ01035	AZAD	544061

(f) Registrar and Share Transfer Agents:

For lodgment of any requests with respect to shares or dividend or any grievances / complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:

KFin Technologies Limited (Formerly known as "KFin Technologies Private Limited")

Registered & Corporate Office :

Selenium Building, Tower-B, Plot No. – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Rangareddi, Telangana, India.
Landline Number: +91-40-67162222 / 7961 1000
Toll Free Number: 1800 309 4001
WhatsApp Number: (91) 910 009 4099
Email id: einward.ris@kfintech.com
Website: www.kfintech.com
Investor Support Centre Link: https://ris.kfintech.com/clientservices/isc/default.aspx
SEBI Registration No.: INR000000221

(g) Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. Further, 100% of equity shares of the Company are in demat mode. Transfer of these shares is done through depositories with no involvement of the Company.

(h) Distribution of Shareholding:

Sl. no.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	124328	99.83	6103194	9.45
2	5001 - 10000	85	0.07	592044	0.92
3	10001 - 20000	36	0.03	498937	0.77
4	20001 - 30000	15	0.01	366912	0.57
5	30001 - 40000	8	0.01	284238	0.44
6	40001 - 50000	9	0.01	409691	0.63
7	50001 - 100000	14	0.01	982307	1.52
8	100001 & Above	44	0.04	55344420	85.70
	TOTAL:	**124539**	**100.00**	**64581743**	**100.00**

(i) **Shareholding Pattern as on March 31, 2025 is as under:**

Category	No. of Holders	Total Shares	% To Equity
A) Promoter and Promoter Group			
Promoters	1	3,83,30,255	59.35
Promoter Group	8	6,27,352	0.97
A) Total Promoter and Promoter Group	**9**	**3,89,57,607**	**60.32**
B) Public Shareholders			
Resident Individuals	1,20,197	95,19,202	14.74
Foreign Portfolio	60	91,89,992	14.23
Mutual Funds	12	45,67,386	7.07
Bodies Corporate	367	5,29,303	0.82
Non Resident Indians	1,556	6,63,978	1.03
H U F	2,323	4,01,334	0.62
Alternative Investment Fund	6	1,35,638	0.21
Insurance Companies	3	6,15,344	0.95
Trusts	4	1,758	0.00
Clearing Members	2	201	0.00
b) Total Public Shareholders	**1,24,530**	**2,56,24,136**	**39.68**
Grand Total (A+B)	**1,24,539**	**6,45,81,743**	**100.00**

(j) **Dematerialization of shares and Liquidity:**

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their Shares with either of the Depositories. As on March 31, 2025, 100% of the Company's Equity Shares are in dematerialized form.

The summary of dematerialized Equity Shares of the Company as on March 31, 2025 is as hereunder:

Particulars	No. of Shares	% to Total Share Capital
NSDL	2,08,43,544	32.27%
CDSL	4,37,38,199	67.73%
Total	**6,45,81,743**	**100.00 %**

ISIN number of the equity shares of the Company isINE02IJ01035.

(k) **Outstanding GDRs/ADRs/Warrants/any Convertible Instruments:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2025

(l) **Commodity price risk or foreign exchange risk and hedging activities :**

There is natural hedging against imports. Foreign exchange exposure is covered by entering into forward contracts only if it is beneficial and/or favourable.

(m) **Plant Locations:**

The Plants of the Company are situated at the following places:

1. 90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India.
2. 90/E, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana-500055, India
3. Plot No D42/43, Phase V, TSIIC, IDA, Jeedimetla industrial park, quthbullapur mandal, Hyderabad, Medchal Malkajgiri, Telangana-500055, India

4. Plot No 63/A , Phase I, TSIIC IDA, Survey No 298, jeedimetla village, Industrial Park, quthbullapur mandal, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India
5. Plot No. 17/B, Pashamylaram, Isnapur, Sangareddy, Telangana-502307, India
6. SY 340 Plot No 85 to 92 & 118 to 123, Industrial Park - Tuniki Bollaram, Siddipet, Telangana-502279, India
7. Plot No 30 & 31 Phase 5, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India

(n) Address for Investor correspondence :

Registered Office:

90/C, 90/D, Phase-I, IDA, Jeedimetla, Hyderabad, Telangana, India-500055

Phone No.: 040-23097007

Website: www.azad.in

Email Address: cs@azad.in

(o) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

CARE, a Credit rating Agency has, assigned its ratings:

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	145.00	CARE A; Stable	Upgraded from CARE A-; Stable
Long-term / Short-term bank facilities	35.00	CARE A; Stable / CARE A2+	LT rating upgraded from CARE A-; Stable and ST rating reaffirmed

OTHER DISCLOSURES

a) DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:

All related party transactions conducted during the financial year adhered to arm's length principles and complied with the relevant provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Each related party transaction undergoes scrutiny by the Audit Committee and the Board for approval. The Audit Committee grants omnibus approval for repetitive related party transactions in accordance with conditions outlined in the Act and Regulation 23 of the SEBI Listing Regulations. Quarterly, a statement detailing the nature and value of these transactions is presented to the Audit Committee for review. A comprehensive list of related party transactions, as mandated by Ind AS 24 and the Act, is included in the Notes to the standalone financial statements within the Annual Report.

For the financial year ended March 31, 2025, no related party transactions of material significance that could potentially conflict with the Company's broader interests were identified.

The Company engages in related party transactions based on business necessities, liquidity considerations, and capital resources. These transactions are negotiated on an arm's length basis and are unlikely to pose conflicts with the Company's overall interests.

The Board has also approved a policy on Materiality of Related Party Transactions, which also includes the procedure to deal with Related Party Transactions, and such Policy has been put up on the Company's Website. The same can be viewed at: https://www.azad.in/policies/

b) DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

Kindly refer the Secretarial Audit attached as annexures to the Directors' Report and Annual Secretarial Compliance Report on the Company's website https://azad.in/company-announcements/

c) DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM, WHISTLE BLOWER POLICY, AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE AUDIT COMMITTEE:

The Company has adopted Vigil Mechanism and Whistle Blower Policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/ Employees. This Policy inter-alia provides to a Whistle Blower a direct access to the Chairman of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee to report their concerns/grievances.

A Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at: https://www.azad.in/policies/

(d) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS:

Mandatory requirements:

All the Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been compiled by the Company.

Adoption of Non-mandatory requirements:

(i) Shareholders' Rights:

Quarterly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investor Presentations are also posted on the Company's website under the Investors section.

(ii) Modified opinion(s) in Audit Report:

For the Financial Year ended March 31, 2025, the Independent Auditors have given an unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified audit opinion on its Financial Statements.

(iii) Reporting of Internal Auditor:

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed Internal Auditors who report directly to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee for their review and suggestions for necessary action.

e) POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES':

As on 31st March, 2025, the Company has following subsidiaries:

a) **Azad VTC Private Limited**, which was incorporated on March 29, 2024

b) **Azad Prime Private Limited** which was incorporated on April 12, 2024

However, as on 31st March, 2025, the Company did not have any material subsidiary. The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings of unlisted subsidiaries of the Company are placed before the Board of Directors of the Company for their review. The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

The Policy of determining material subsidiaries as approved by the board is uploaded on the Company's Website at: https://www.azad.in/policies/

f) POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION

The Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the stock exchanges. Further, the said policy was reviewed and amended by the Board to give effect to / bring the policy in same line with the changes brought in by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023. The said policy is available on the website of the Company at: https://www.azad.in/policies/

g) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT/QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A):

During the year under review, the Company has raised funds through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI Listing Regulations. The details of utilisation are given in note no 42 and 43 of the notes to the accounts attached the Standalone Financials of the Company.

Quarterly statement of deviation(s) including report of monitoring agency, has been submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, till the time of complete utilization of funds raised by the Company through Initial Public Offer and Qualified Institutional Placement (QIP).

h) DISCLOSURE ABOUT DIRECTORS BEING APPOINTED/RE- APPOINTED:

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

i) DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

The Company has given inter-corporate loans to Azad VTC Private Limited and Azad Prime Private Limited (Subsidiaries). The outstanding amount as on March 31, 2025 is Rs. 188.88 Millions.

The Subsidiaries of the Companies did not give any loans and advances to any firms or Companies.

j) NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT SPECIFIED UNDER SUB-PARAS (2) TO (10) OF PART C OF SCHEDULE V OF THE LISTING REGULATIONS

There is no Non-Compliance of any requirement of Corporate Governance Report as specified under Sub-Paras (2) To (10) of Part C of Schedule V of the Listing Regulations.

k) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any demat suspense account or Unclaimed Suspense account.

l) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is set out in the Annual Report in compliance with Clause B of Schedule V to the Listing Regulations.

m) CODE OF CONDUCT

The Board of Directors of the Company had laid down a Code of Conduct for all Board Members and senior management of the Company, including duties of Independent Directors. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at: https://www.azad.in/policies/

n) DECLARATION BY CHIEF EXECUTIVE OFFICER

Declaration signed by Mr. Rakesh Chopdar, Wholetime Director and Chairman & CEO of the Company, stating that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel is annexed to this Report.

o) CEO/CFO CERTIFICATION

Mr. Rakesh Chopdar, Wholetime Director and Chairman & CEO and Mr. Ronak Jajoo, Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such certificate is annexed to this Report.

p) CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate from Mr. Ashish Kumar Gaggar, Company Secretary in Practice, confirming that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs, or any other statutory authorities is annexed to this Report

q) RECOMMENDATIONS OF VARIOUS COMMITTEES

There were no instances where the Board had not accepted the recommendations of any of the Committees of the Board during Financial Year 2024-25.

r) TOTAL FEES PAID TO STATUTORY AUDITORS FOR ALL SERVICES BY THE COMPANY AND ITS SUBSIDIARY COMPANIES ON A CONSOLIDATED BASIS

The details of fees paid by the Company in 2024-25 to M/s. MSKA & Associates, Statutory Auditors of the Company, for their services are given hereunder:

(Rs. in millions)

Particulars	Standalone	Consolidated
Statutory audit	3.90	4.5
Limited Review	1.10	1.10
Out of Pocket Expenses	0.20	0.22
Total	5.20	5.82

s) DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of sexual harassment at the workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed an Internal Complaints Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The details of the number of complaints filed, disposed of during the year, and pending as on March 31, 2025, are given in the Board's Report.

t) The Company is in compliance with the requirements stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable, with regard to Corporate Governance.The Company is maintaining a functional website viz: https://azad.in/. All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on a daily basis under investors column of the website

u) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The company has formulated the Code of Conduct for Prevention of Insider Trading ("RPT Policy"), in accordance with the SEBI (Prohibition of Insider Trading Regulations) 2015 (the "PIT Regulations"), as amended from time to time, to regulate, monitor and report trading by the Designated Persons specified therein and their Immediate Relatives in securities of the company and for dealing in securities listed or proposed to be listed (other than securities of the company), by the Designated Persons specified therein and their Immediate Relatives, and enumerating practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information. Thus, the company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The Prevention of Insider Trading Policy is available on the website of the company athttps://www.azad.in/policies/

Further, the company has also maintained Structured Digital Database ("SDD") in compliance with the Regulation 3(5) and 3(6) of the Board PIT Regulations. Further, the SDD is fully updated in accordance with the abovementioned Rules.

v) DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITY

During the Financial Year under consideration and till the time of approval of this Report by the Board in its meeting, there are no reported Agreements which are entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

Shareholders are hereby notified that as per the Listing Regulations, the Company must inform the Stock Exchanges about agreements involving shareholders, promoters, members of the promoter group, related parties, directors, key managerial personnel, and employees of the Company or its affiliates. These agreements may impact the management or control of the Company, impose restrictions, or create liabilities, directly or indirectly. This includes details of amendments, rescissions, or alterations to such agreements, whether or not the Company is a party.

Shareholders are requested to promptly inform the Company of any such agreements, not involving the Company, within two working days of their execution or intention to execute. The Company will subsequently notify the Stock Exchanges of these agreements within the specified timelines upon becoming aware of them.

[Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

w) COMPLIANCE CERTIFICATE FROM THE SECRETARIAL AUDITORS

As stipulated in Para E of Schedule V of the Listing Regulations, the certificate from the Secretarial Auditors of the Company regarding compliance of conditions of corporate governance is enclosed.

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: September 8, 2025	**Chairman & CEO**	**Wholetime Director**
Place: Hyderabad	**DIN: 01795599**	**DIN: 10307319**

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT

[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to confirm that the Company has adopted Code of Conduct for all the members of Board of Directors, Senior Management, Officers and Employees of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management, Officers and Employees of the Company have affirmed compliance with Code of Conduct for the financial year ended on 31st March, 2025.

For Azad Engineering Limited

Rakesh Chopdar
(Chairman & CEO)
DIN: 01795599

Date: July 25, 2025
Place: Hyderabad

COMPLIANCE CERTIFICATE FROM CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Board of Directors,
Azad Engineering Limited,
We hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Ronak Jajoo
Chief Financial Officer

Date: May 23, 2025
Place: Hyderabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AZAD ENGINEERING LIMITED
90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AZAD ENGINEERING LIMITED CIN: L74210TG1983PLC004132 ('the Company'),** and having its registered office at **90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055** (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015**.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*	Date of Cessation
1.	Rakesh Chopdar	01795599	14/08/2003	-
2.	Jyoti Chopdar	03132157	01/07/2014	-
3.	Deepak Kabra	10878892	03/01/2025	-
4.	Murali Krishna Bhupatiraju	10883843	03/01/2025	-
5.	Madhusree Vemuru	10304579	12/09/2023	-
6.	Michael Joseph Booth	10309295	12/09/2023	-
7.	Vishnu Malpani	10307319	13/09/2023	-
8.	Subba Rao Ambati	01722940	24/09/2023	-

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687G000999195

Place: Hyderabad
Date: 13th August 2025

Certificate on Corporate Governance

To,
The Members,
AZAD ENGINEERING LIMITED
90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

I have examined all the relevant records of AZAD ENGINEERING LIMITED CIN: L74210TG1983PLC004132 ('the Company'), for the purpose of certifying the compliance of conditions of the Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period from 01st April 2024 to 31st March 2025. I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in applicable provisions of the Listing Regulations for the year ended on March 31, 2025 except as mentioned in the attached Annexure I.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687G000999052

Place: Hyderabad
Date: 13th August 2025

Annexure I of Certificate on Corporate Governance

Sr. No.	Regulations/ circulars/ guidelines including specific clause	Deviations	Action Taken by	Fine Amount	Remarks
1	Regulation 23 (9)of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015	Fines imposed (Penal Action for Non-Compliance) for disclosure of related party transactions on consolidated basis for the half year ended 31st March 2024 imposed by BSE Limited and National Stock Exchange of India Limited	BSE Limited and National Stock Exchange of India Limited	Rs. 11800/- by BSE and Rs. 11800/- by National Stock Exchange of India Limited	The Company has duly paid the Fine.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687G000999052

Place: Hyderabad
Date: 13th August 2025

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity	
1. Corporate Identity Number (CIN) of the Listed Entity	L74210TG1983PLC004132
2. Name of the Listed Entity	Azad Engineering Limited
3. Year of incorporation	1983
4. Registered office address	90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana India
5. Corporate address	90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India
6. E-mail	cs@azad.in
7. Telephone	91-40-2309 7007
8. Website	https://www.azad.in
9. Financial year for which reporting is being done	2024-2025
10. Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11. Paid-up Capital	Rs. 129.16 Million
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ful Kumar Gautam, 7093916512 cs@azad.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Reporting on the Standalone basis (Only for the entity)
14. Name of assurance provider	No
15. Type of assurance obtained	NA

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Energy	79.20%
2	Manufacturing	Aerospace & Defence	17.80%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Airfoil/Blade	2811	58.62%
2	Non-airfoil	2811	38.39%

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	1	7
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	17

	Percentage
b. is the contribution of exports as a percentage of the total turnover of the entity?	91.94

c. A brief on types of customers

Our customers include global OEMs across the energy, aerospace and defence, and oil and gas industries.

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	536	527	98.32%	9	1.68%
2	Other than Permanent (E)	-	-	-	-	-
3	**Total employees (D + E)**	**536**	**527**	**98.32%**	**9**	**1.68%**
WORKERS						
4	Permanent (F)	905	886	97.90%	19	2.10%
5	Other than Permanent (G)	361	335	92.80%	26	7.20%
6	**Total workers (F + G)**	**1,266**	**1,221**	**96.45%**	**45**	**3.55%**

b. Differently abled Employees and workers: (Not applicable)

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	**Total differently abled employees (D + E)**	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	**Total differently-abled workers (F + G)**	-	-	-	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	**8**	2	25.00%
Key Management Personnel	**10**	1	10.00%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	52.40%	19.23%	49.49%	12.00%	0.00%	12.00%	14.00%	1.00%	15.00%
Permanent Workers	27.70%	18.18%	27.65%	45.00%	0.00%	45.00%	45.00%	0.00%	45.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Azad VTC Private Limited	Subsidiary	99.98	No
2	Azad Prime Private Limited	Subsidiary	100%	No

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	**Yes**
(ii) Turnover (in Rs.)	**4,529.28 Million**
(iii) Net worth (in Rs.)	**14,176.03 Million**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www. azad.in/wp-content/ uploads/2024/02/ VigilMechanism-Policy.pdf	-	-	There were no complaints/ grievances received from any specific community	-	-	There were no complaints/ grievances received from any specific community
Investors (other than shareholders)	Yes,https://www.azad. in/ contact/	27	-	-	94	-	
Shareholders	Yes,https://www.azad. in/ contact	-	-	-	-	-	
Employees and workers	Yes, https://www. azad.in/wp-content/ uploads/2024/02/ VigilMechanism-Policy.pdf	-	-	No complaints	120	120	This is Routine Compliance Regarding KYC and Attendance Regularization

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, The company has a dedicated helpline number (+91-040-2309 7007, 8008) and email info@azad.in which address and resolves all customer Grievances. In addition, the Company responds to customer concerns that it sent to quality & projects teams.	-	-	-	-	-	
Value Chain Partners	Yes, https://www. azad.in/wp-content/ uploads/2024/02/ VigilMechanism-Policy.pdf	-	-	There were no complaints/ grievances received from the value chain partners of the Company	-	-	There were no complaints/ grievances received from the value chain partners of the Company
Other (please specify)	NA	-	-	-	-	-	

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy efficiency & carbon emissions	Risk	Operations involve precision engineering and high energy use; global clients expect carbon reduction commitments.	Transition to renewable power, energy-efficient machinery, and process optimization.	Short-term increase in capital expenditure ; long-term savings and eligibility for green supply chains .
2	Occupational health & safety	Risk	Aerospace and turbine component manufacturing involves heavy machinery; accidents can disrupt production and reputation.	Strict EHS (Environment, Health & Safety) protocols, employee training, and workplace safety audits.	Reduced downtime and accident costs ; compliance expenditure .
3	Supply chain sustainability	Risk/Opportunity	Dependency on alloys/metals and global suppliers; ESG compliance by OEM clients makes sustainable sourcing critical.	Supplier audits, preference for certified vendors, diversification of sourcing base.	Enhanced resilience and business continuity ; higher sourcing costs in the short run .
4	Technology & product innovation	Opportunity	Clients in aerospace/defense increasingly demand lightweight, efficient, and sustainable components.	Investment in R&D, advanced machining, and material science innovations.	Opens new markets, higher margins, and premium positioning with global OEMs .
5	Waste management & pollution control	Risk	Improper disposal of metal scrap, coolant oils, and industrial waste may lead to environmental penalties.	Recycling scrap, hazardous waste disposal through authorized vendors, and closed-loop systems.	Compliance costs but reduced regulatory risk and improved ESG ratings .
6	Human capital development	Opportunity	Skilled workforce is key for aerospace/defense sector; attrition or lack of skills poses risk.	Training, retention programs, employee engagement initiatives.	Improved productivity, reduced hiring costs, and stronger employer brand .

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.azad.in/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. AS9100D and ISO 9001:2015 (technically equivalent to EN9100:2018 and JISQ9100:2016) for Manufacturing of forged, heat treated and precision machined components for aviation, space, and defence applications. 2. AS9100D and ISO 9001:2015 (technically equivalent to EN9100:2018 and JISQ9100:2016) for Forged, Heat treated and machined components for Engineering Application. 2. NADCAP Fluid Distribution Systems. 3. ISO/IEC 27001 : 2013 for Information Security Management System. 4. ISO 9001:2015 for Manufacturing of Precision machined components Manufacturing of Forged, Heat treated and Precision Machined Components. 5. ISO 14001:2015 for Environmental Management System standard. 6. ISO 45001:2018 for Occupational Health and Safety Management System standard. 7. NABL ISO/IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Pending								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Pending								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure).*	Pending								

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of directors
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The CSR committeee of the board is responsible for taking decisions on sustainability related issues

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.	Policies wherever stated have been approved by the Board/Committees of Board/Senior Management of the Company. Policies are reviewed at periodic intervals in all aspects including statutory requirements depending on the frequency stated in respective policies or on a need basis whichever is earlier and necessary updates are made to the policies																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliance.	The Company has necessary procedures in place to ensure the compliance with all relevant regulations and the Board of Directors periodically reviews the same.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	NO, The Company has necessary procedures in place to ensure the compliance with all relevant regulations and the Board of Directors periodically reviews the same.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	No. of persons to whom such training has been given	Total number of persons in respective category	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	SEBI Regulations, Corporate Governance, Business strategy, Sustainability, Cyber security	8	8	100.00%
Key Managerial Personnel	5	SEBI Regulations, Corporate Governance, Business strategy, Sustainability, Cyber security	6	6	100.00%
Employees other than BoD and KMPs	45	Training on Cyber Security, IT Governanance & Cyber laws, Conflict Management, Corruption and Bribery Prevention, Material related , information awareness , first aid	599	599	100.00%
Workers	35	Product safety, visual inspection , zero defect plan, Hazard Identification & Risk Assessment (HIRA), Safety related	538	538	100.00%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	Nil	NA	NA
Settlement	NA	NA	Nil	NA	NA
Compounding fee	NA	NA	Nil	NA	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NA	NA	Nil	NA	NA
Punishment	NA	NA	Nil	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The entity adheres to ethical business practices and complies with applicable laws and regulations. The management is in the process of formulating a formal policy to strengthen its governance framework.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 25 Current Financial year	FY 24 Previous Financial year
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 25 Current Financial year		FY 24 Previous Financial year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	**0**	**Nil**	**0**	**Nil**
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	**0**	**Nil**	**0**	**Nil**

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as there were no such cases of corruption and conflict of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 25 Current Financial year	FY 24 Previous Financial year
Number of days of accounts payables	255	193
Days of accounts payables = (Accounts payable*365) / Cost of goods/services procured		
Note : Comparitives for the FY 23-24 have been corrected		

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 25 Current Financial year	FY 24 Previous Financial year
Concentration of Purchases	a. Sales to dealers / distributors as % of total sales	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
	b. Number of dealers / distributors to whom sales are made	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
	b. Number of dealers / distributors to whom sales are made	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Not applicable as the Company does not provide its products through dealers/distributor	Not applicable as the Company does not provide its products through dealers/distributor
Share of RPTs in	a. Purchases (purchases with related parties/Total purchases)	0%	1.86%
	b. Sales (Sales to related parties / Total Sales)	4.95%	2.67%
	c.VLoans and advances*(Loans and advances given to related parties/Total loans and advances)	0.94%	0%
	d. Investments* (Investments in related parties/Total investments made)	0%	0%

Investments and Loans& Advances does not include in subsidiary

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 25 Current Financial year	FY 24 Previous Financial year	Details of improvements in environmental and social impacts
R&D	0	0	The company is in the process of making investments in R&D , in specific technologies to improve the enviromental and social impacts of products and processes
Capex	0	0	The company is in the process of making investments in Capex , in specific technologies to improve the enviromental and social impacts of products and processes

2. **Sustainable Sourcing a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

   a) Sustainable sourcing procedures are not applicable to our business, as our primary raw materials are metals and alloys.

   b) More than 90% of raw materials are sourced from well known and established Steel manufacturers in India. Who in turn are required to make the product sustainable

3. **Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for**

   A. Plastics (Including Packaging): plastics is not generated , as out supplies are directly to OEMs,

   B: E-waste: E-waste is processed through authorized reprocessor as per PCB Norms

   C hazardous Waste: Harardous waste is processed through authorized reprocessor as per JETL, GEIPL Norms

   D Other waste : NA

Extended Producer Responsibility (EPR) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

The Extended Producer Responsibility is not applicable since the Company does not qualify to be a Producer under the Plastic Waste Management Rules, 2016.

Principle 2.

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	0	0	
Capex	0%	0	

	FY 2024-25		FY 2023-24	
	Total Investment	Investments in specific technologies to improve the environmental and social impacts of product and processes	Total Investment	Investments in specific technologies to improve the environmental and social impacts of product and processes
R&D			0	0
Capex				

2. Sustainable Sourcing a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?

No, sustainable sourcing procedures are not applicable to our business, as our primary raw materials are metals and alloys. Further, our operations do not fall under the 'Red Category' of the Pollution Control Board, hence sustainable sourcing practices are not material in the context of our business model."

3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for a. Plastics (Including Packaging) b. E-Waste c. Hazardous waste d. other waste

   A: Plastics is not generated we supply directly to OEM

   B: E-waste processed through authorized reprocessor as per PCB Norms

   C: Harardous waste processed through authorized reprocessor as per JETL, GEIPL Norms

   D: NA

Extended Producer Responsibility (EPR) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by					
	Total (A)	Health insurance		Accident insurance		Day Care facilitiesPaternity BenefitsMaternity benefits
		Number (B)	% (B / A)	Number (C)	% (C / A)	% (F / A)Number (F)% (E / A) Number (E)% (D / A) Number (D)
Permanent employees						
Male	527	287	54.46%	287	54.46%	---
Female	9	6	66.67%	6	66.67%	---
Total	536	293	54.66%	293	54.66%	-0-0-0
Other than Permanent employees						
Male	0	0	-	0	-	---
Female	0	0	-	0	-	---
Total	0	0	-	0	-	-0-0-0

b. Details of measures for the well-being of workers:

Category	% of workers covered by					
	Total (A)	Health insurance		Accident insurance		Day Care facilitiesPaternity BenefitsMaternity benefits
		Number (B)	% (B / A)	Number (C)	% (C / A)	% (F / A)Number (F)% (E / A)Number (E)% (D / A) Number (D)
Permanent workers						
Male	886	371	41.87%	371	41.87%	---
Female	19	0	0.00%	0	0.00%	---
Total	905	371	40.99%	371	40.99%	-0-0-0
Other than Permanent workers						
Male	0		#DIV/0!		-	---
Female	0		#DIV/0!		-	---
Total	0	0	#DIV/0!	0	-	-0-0-0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 25 Current Financial Year	FY 24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.16%	0.25%

2. Details of retirement benefits, for Current FY and Previous FY

Benefits	FY 25Current Financial Year			FY 24Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	50%	68%	Yes	17.00%	67.00%	Yes
Gratuity	0%	2%	Yes	0.00%	13.00%	Yes
ESI	4%	45%	Yes	4.00%	46.00%	Yes
Others – please specify	NA	0				

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

While the entity currently does not have any differently abled employees or workers, it is committed to fostering an inclusive and accessible workplace for all. Necessary improvements are being planned to ensure that the workplace remains welcoming and supportive for all individuals, irrespective of ability.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

While the entity currently does not have any differently abled employees or workers, it is committed to fostering an inclusive and accessible workplace for all. Necessary improvements are being planned to ensure that the workplace remains welcoming and supportive for all individuals, irrespective of ability.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	POSH & Whistleblower policy
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
- Male	NA	NA	0	NA	NA	0
- Female	NA	NA	0	NA	NA	0
Total Permanent Workers						
- Male	NA	NA	0	NA	NA	0.00%
- Female	0	NA	0	NA	NA	0.00%

8. **Details of training given to employees and workers on health & safety measures and on skill upgradation**

Category	FY 25 Current Financial Year					FY 24 Previous Financial Year			
	Total (A)	On Health and safety measures		On Skill upgradation		**On Skill upgradationOn Health** and safety measuresTotal (D)			
		No. (B)	% (B / A)	No.(C)	% (C / A)	No. (E)	% (E / D)	No. (F)	% (F / D)
Employees									
Male	527	523	99.24%	360	68.31%	-	-	-	-
Female	9	0	0.00%	18	200.00%	-	-	-	-
Total	**536**	**523**	**97.57%**	**378**	**70.52%**	-	-	-	-
Workers									
Male	1,221	0	0.00%		0.00%	-	-	-	-
Female	45	0	0.00%		0.00%	-	-	-	-
Total	**1266**	**0**	**0.00%**	**0**	**0.00%**	-	-	-	-

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	527	527	100.00%	-	-	-
Female	9	9	100.00%	-	-	-
Total	**536**	**536**	**100.00%**	-	-	-
Workers						
Male	1,221	1,221	100.00%	-	-	-
Female	45	45	100.00%	-	-	-
Total	**1,266**	**1,266**	**100.00%**	-	-	-

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No).* If yes, the coverage such system?**

Yes, under the standards of ISO 9001:2015 and ISO 45001:2018

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard Identification Methods

Workplace Inspections

Job Safety Analysis (JSA) / Job Hazard Analysis (JHA)

Hazard Identification and Risk Assessment (HIRA)

Permit-to-Work System (PTW)

Near-Miss / Incident Reporting

Emergency Drills & Mock Exercises

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes,Workers are encouraged to report unsafe acts, conditions, or hazards through Near Miss / Hazard Reporting, Toolbox Talks & Safety Meetings , Suggestion Boxes ,EHS team and supervisors are responsible for timely investigation and corrective action on reported hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents

Safety Incident/Number	Category	FY 25 Current Financial Year	FY 24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Workplace safety is maintained through inspections, JSA/JHA, and HIRA to identify and control risks. High-risk tasks follow the Permit-to-Work (PTW) system, while near-miss/incident reporting helps prevent accidents. Regular emergency drills and mock exercises ensure preparedness for emergencies.

13. Number of Complaints made by employees and workers:

	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	8	8		0	0	
Health & Safety	2	2		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

    There are no safety related incidents/ risks / concerns arising from assessments of health and safety practices and working conditions

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The process of identifying key stakeholder groups involves mapping all parties who are directly or indirectly affected by the entity's operations, such as employees, customers, investors, suppliers, regulators, and the community.

   The company then prioritizes stakeholders critical to its business sustainability and value creation, while ensuring continuous monitoring and engagement to address evolving needs and maintain transparency.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/Half yearly/Quarterly/ Others - please specify).	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Shareholders & Investors (other than shareholders)	No	Email, Website , Quarterly Publications of results, Newpaper advertisements, Analyst/ Investor calls , Annual General meetings , Stock Exchange Intimations	Annually/Half yearly / Quarterly/ Event Based	Compliance / Government practices /Update on business/ Financial and operation performance
Employees and workers	No	Emails, phone calls, SMS , meeting , notice board & training programmes	Regular	Day to day activities / Conduct of business / Trainings / Addressing concerns / Operations efficiency cy / Health and safety activities
Communities	Yes	Physical meetings / Reveiws / Assessments	Event Based	CSR programmes and other initiatives/ Engagement with communities with CSR activities , Addressing concerns of surrounding communitites
Customers & Value chain partner	No	Email , meetings , Phone calls , Websites	Regular	Product quality and availability , timely delivery and payments , responsiveness to customer needs , customer satisfaction
Government and regulatory bodies	No	Filing and submissions , engagements during visits to our facilities , mail and website	Event Based	Compliance with applicable laws and regulations

PRINCIPLE 5 Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	536	0	0.00%			-
Other than permanent	0	0	0.00%			-
Total Employees	**536**	**0**	0.00%	**0**	**0**	-
Workers						
Permanent	905	59	6.52%			-
Other than permanent	361	0	0.00%			-
Total Workers	**1266**	**59**	**4.66%**	**0**	**0**	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2024-25				
	Total (A)	Equal to Minimum Wage		Equal to Minimum Wage		Total (D)	Equal to Minimum Wage		Equal to Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	527	527	100.00%		0.00%	329		0.00%	329	100.00%
Female	9	9	100.00%		0.00%	26		0.00%	26	100.00%
Other than Permanent										
Male	-	-	#DIV/0!		#DIV/0!	0	#DIV/0!			
Female	-	-	#DIV/0!		#DIV/0!	0	#DIV/0!			
Workers										
Permanent										
Male	886	886	100.00%		0.00%	850		0.00%	850	100.00%
Female	19	19	100.00%		0.00%	7		0.00%	7	100.00%
Other than Permanent										
Male	335	335	100.00%		0.00%	223		0.00%	223	100.00%
Female	26	26	100.00%		0.00%	25		0.00%	25	100.00%

3. **Details of remuneration/salary/wages**

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	3	0.30	1	0.30
Key Managerial Personnel	11		1	0.30
Employees other than BoD and KMP	527		9	
Workers	1,221		26	

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	2.46%	2.00%
Gross Wages paid to females	12,71,388.0	8,98,420.0
Total Wages	5,16,92,615.0	3,39,44,243.0
Percentage	**2.46%**	**2.00%**

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Online app - employees

Under factory act , written communication to the HR department

6. **Number of Complaints on the following made by employees and workers:**

	FY 2024-25			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	
Discrimination at workplace	0	0	0	0	0	
Child Labour	0	0	0	0	0	
Forced Labour/Involuntary Labour	0	0	0	0	0	
Wages	0	0	0	0	0	
Other human rights related issues	0	0	0	0	0	

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	-	0.00%
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company has established an Internal Committee under the POSH Act to address complaints of sexual harassment and discrimination. Regular awareness and training programmes are conducted to sensitize employees. Confidentiality of complainants is strictly maintained, and protection mechanisms are in place to ensure that no retaliatory action or adverse consequence is faced by the complainant.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes

10. **Assessments for the year:**

	Total Number of plants & offices	Number of plants and offices that were assessed(By entity)	Number of plants and offices that were assessed(By statutory authorities)	Number of plants and offices that were assessed(By third parties)	No. of your plants and offices that were assessed (by entity or statutory authorities or third parties).	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	7	0	0	0	0	100%
Forced/involuntary labour	7	0	0	0	0	100%
Sexual harassment	7	0	0	0	0	100%
Discrimination at workplace	7	0	0	0	0	100%
Wages	7	0	0	0	0	100%
Others – please specify	7	0	0	0	0	100%

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

   Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	1,78,31,898	1,40,89,847
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)	1,78,31,898	1,40,89,847
From non-renewable sources		
Total electricity consumption (D)	64	51
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)		-
Total energy consumed from non-renewable sources (D+E+F)	64	51
Total energy consumed (A+B+C+D+E+F)	1,78,31,962	1,40,89,898

Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)

Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)

Energy intensity in terms of physical output Energy intensity (optional) – the relevant metric may be selected by the entity

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Total electricity consumption (D)

Financial Year	Units Consumed (In KWH)	TJ	GJ
24-25	1,78,31,898	64.19	64,195
23-24	1,40,89,847	50.72344916	50,723

Sources	
>1TJ=277777.77KWh	**https://www.unitconverters.net/energy/joule-to-kilowatt-hour.htm**

Total fuel consumption (E)	FY 24-25				
Material Description	**Sum of Quantity**	**Unit of measurement**	**Capacity**	**Consumption**	**Giga Joules***
LPG COMMERCIAL GAS CYLINDERS		KG		-	-
High Speed Diesel		Ltrs		-	-
Other Fuels					
Grand Total	**-**			**-**	**-**

Total fuel consumption (E)	FY 23-24				
Material Description	**Sum of Quantity**	**Unit of measurement**	**Capacity**	**Consumption**	**Giga Joules***
LPG COMMERCIAL GAS CYLINDERS		KG		-	-
High Speed Diesel		Ltrs		-	-
Other Fuels					
Grand Total	**-**			**-**	**-**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	71	62
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others	1735	1567.5
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1806	1629.5
Total volume of water consumption (in kilolitres)	0	0

Water intensity per rupee of turnover

(Total water consumption / Revenue from operations)

Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)

(Total water consumption / Revenue from operations adjusted for PPP)

Water intensity in terms of physical output

Water intensity (optional) – the relevant metric may be selected by the entity

Total volume of water consumption (in kilolitres)

Particular	24-25	23-24
Plant-Process		
Plant-Domestic		
Mines-Process		
Mines-Domestic		
CPP-Process		
CPP-Domestic		
Total	**0**	**0**

4. **Provide the following details related to water discharged:**

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not applicable

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx		15 Test Method: IS 5182: P 06: 2006, RA 2017	15.6 Test Method: IS 5182: P 23: 2006, RA 2017
SOx		11 Test Method: IS 5182: P 2: 2001, RA 2017	12.4 Test Method: IS 5182: P 2: 2001, RA 2017
Particulate matter (PM)		33 Test Method: IS 5182 P-24: 2019	32 Test Method: IS 5182 P-24: 2019
Persistent organic pollutants (POP)			NA
Volatile organic compounds (VOC)			NA
Hazardous air pollutants (HAP)			NA

Others – please specify

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	13287.875	
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)	0.41	
Other Non-hazardous waste generated (H). Please specify, if any.		
(Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)	0.41	0
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used		
(iii) Other recovery operations		
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Raw material is the steel. No other hazardous and toxic chemicals are being used in the products

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

not applicatble

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		Not applicable	Not applicable	Not applicable
		Not applicable	Not applicable	Not applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY	India
2	FEDERATION OF TELANGANA CHAMBERS OF COMMERCE AND INDUSTRY	Telangana/Andhra Pradesh

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA					
NA	NA					

3. **Describe the mechanisms to receive and redress grievances of the community.**

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	26.53632027	5%
Directly from within India	0	37

Particulars	FY 23-24	FY 22-23
Total Purchases	1,130	945
Total Services	-	-
Total Inputs	**1,130**	**945**
Purchase from MSMEs	300	209
Services from MSMEs	-	-
Total Inputs from MSMEs	**300**	**209**
Purchase from within India	-	-
Services from within India	-	-
Total Inputs procured within India	**-**	**-**

'Input material' - includes all types of procurement such as raw material, spares, services, capex procurement items etc.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2024-25	FY 2023-24
Rural	0%	20%
Semi-urban	0%	18%
Urban	0%	40%
Metropolitan	100%	22%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	FY 2024-25		FY 2024-25	
	Total wages paid to the persons employed in the respective category	Wages paid as a % of total wages paid	Total wages paid to the persons employed in the respective category	Wages paid as a % of total wages paid
Rural		0%		#DIV/0!
Semi-urban		0%		#DIV/0!
Urban		0%		#DIV/0!
Metropolitan	5,16,92,615	100%		#DIV/0!
Total Wages paid	5,16,92,615	100%	**0**	#DIV/0!

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company receives customers' queries and complaints through various channels, including voice calls, emails, mobile, and chat. The First Call Resolution (FCR) is provided wherever possible and in case the complaint is not FCR, the request has been raised and tagged internally to ensure close tracking of complaints and queries. If the client is not satisfied with the resolution provided, then the complaint is thereafter discussed with the concerned internal stakeholders for effective closure to the satisfaction of the consumer. The average span of closure is within 48 hours.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Cyber- security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other (product related)	0	0	0	0	0	0

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for Recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, https://www.azad.in/policies/

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      0

   b. **Percentage of data breaches involving personally identifiable information of customers**

      NA

   c. **Impact, if any, of the data breaches**

      NA

      NA

Independent Auditor's Report

To the Members of **Azad Engineering Limited [formerly known as Azad Engineering Private Limited]**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Azad Engineering Limited [formerly known as Azad Engineering Private Limited]** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2025 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 standalone financial statements 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 Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition – (Refer note 2.2 (A) of Standalone Financial Statements):

Revenue is a key performance measure for the Company. Revenue of the Company mainly comprise of sales of goods to its customers.

Company recognises the sale of goods, based on the terms and conditions of transactions which varies with different customers, at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset.

In respect of sale transactions executed, there exists significant audit risk with respect to performance obligations whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly cut off for revenue is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the Company's revenue recognition accounting policies as required under the applicable accounting standards.
2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of sales transactions.
3. Obtained contracts with customers and basis which revenue is recognised and verified the underlying documents and evidence for transfer of control and fulfilment of performance obligations.

4. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes and shipping documents, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date.
5. Obtained evidence in respect of sales transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.
6. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any.
7. Tested, on sample basis journal entries relating to revenues to identify and inquire on unusual items if any.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. (hereinafter referred to as the "other information") but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone 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.

   (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(h)(vi) 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

   (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (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 standalone financial statements – Refer Note 30 to the standalone 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.

         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(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.

         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(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.

         c. 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 mis-statement.

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

vi. 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, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 44 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us, the remuneration paid / provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQY6142

Place: Hyderabad
Date: May 23, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED [FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED]

Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 25205226BMKTQY6142

Place: Hyderabad
Date: May 23, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2025

[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 no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.

(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 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 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, 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 standalone financial statements are held in the name of the Company except below. The title deeds of immovable properties aggregating to ₹ 12.86 Mn as of March 31, 2025, are pledged with the banks and original copies are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

Description of Property	Gross carrying value (₹ in Mn)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held – Indicate	Reason for not being held in name of Company
Tunkibollaram Land	₹ 259.02	Telangana State Industrial Infrastructure Corporation [TSIIC]	No	From September 2021 to till Balance sheet date	The land was allotted to the company by TSIIC – where the transfer of title is subject to precedent conditions agreed between the parties. Refer Note no: 3(a)

(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) during the year. The Company does not have any intangible assets. Accordingly, the provisions stated 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 provisions stated 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. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

ii. (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii. (a) According to the information explanation provided to us, the Company has provided loans and guarantees are as follows.

	Particulars	Loans (₹ in Mn)	Guarantees (₹ in Mn)
Aggregate amount granted/provided during the year			
-	**Subsidiaries**	188.88	65.00
	Balance Outstanding as at balance sheet date in respect of above cases		
-	**Subsidiaries**	188.88	52.45

During the year the Company has not provided any advance in nature of loan and provided security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to grant of all loans are not prejudicial to the interest of the Company.

(c) In case of the loans schedule of repayment of principal and payment of interest have been stipulated, and the borrowers have been regular in the repayment of the principal and payment of interest.

(d) 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 amounts overdue for more than ninety days in respect of the loans granted to Companies.

(e) According to the information explanation provided to us, the loans granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act 2013, either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act , in respect of loans made.

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 Act, 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, duty of customs, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, dues relating to Income tax and customs duty which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (₹ in Mn)	Amount Paid (₹ in Mn)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	19.67	2.00	AY 2021-22 & AY 2022-23	Central Board of Direct Taxes
Customs Act, 1962	Customs Duty	75.11	-	FY 2019-20 & FY 2022-23	Commissioner of Customs
Goods and Services Tax Act, 2017	GST	3.69	1.11	FY 2019- 20 & to FY 2020-21	Commissioner of GST (Appeals)

There are no dues relating to goods and services tax, provident fund, employees' state insurance, cess, and other statutory dues which have not been deposited on account of any dispute.

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 as stated under clause 3(viii) of the Order is not applicable to the Company.

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

(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, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 15 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(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. Further, the Company do not have any associate or joint ventures. Accordingly, reporting 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 explanation given to us, monies raised during the financial year 2023-24 by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle / surplus funds which are not required for immediate utilization have been invested in fixed deposits with scheduled commercial banks as well as maintained in monitoring account, as disclosed in Note 42 to the standalone financials statements. The maximum amount of idle/surplus funds invested during the year was ₹ 300 Mn. and as of March 31, 2025 the company has fully utilised the amounts for which they were raised.

x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised except for idle funds amounting to ₹ 6,375.38 Mn which were not required for immediate utilization, and which have been invested in deposits with scheduled banks. The maximum amount of idle funds invested during the year was ₹ 6,812.10 Mn, of which ₹ 6,356.16 Mn was outstanding at the end of the year in fixed deposits and ₹ 19.22 Mn maintained with monitoring/escrow account, respectively was outstanding at the end of the year. Refer Note 43 to the standalone financials statements.

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 fraud by the company or no material fraud on 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 secretarial auditor or 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 provisions stated 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, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone 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 the internal audit reports of the Company issued till the 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 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 provisions stated under clause 3 (xvi)(b) of the Order are 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 standalone 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, reporting under 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 financial ratios (as disclosed in note 46 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to the Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 25205226BMKTQY6142

Place: Hyderabad
Date: May 23, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED [FORMERLY KNOW AS AZAD ENGINEERING PRIVATE LIMITED]

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Azad Engineering Limited [formerly known as Azad Engineering Private Limited] on the Financial Statements for the year ended March 31, 2025]

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 with reference to standalone financial statements of Azad Engineering Limited [formerly known as Azad Engineering Private Limited]("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone 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') ("the Guidance Note").

Management's and Board of Director's Responsibility 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 control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 25205226BMKTQY6142

Place: Hyderabad
Date: May 23, 2025

Standalone Balance Sheet

as at March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	4,010.20	2,545.41
Right-of-use assets	3(b)	131.33	27.33
Capital work-in-progress	4	797.80	454.34
Financial assets			
(i) Investments	5	0.20	-
(ii) Loans	6	188.88	-
(iii) Other financial assets	7	316.43	246.92
Other non-current assets	8	1,190.40	479.71
Total non-current assets		**6,635.24**	**3,753.71**
Current assets			
Inventories	9	1,884.83	1,329.63
Financial assets			
(i) Trade receivables	10	2,215.82	1,699.53
(ii) Cash and cash equivalents	11(a)	403.75	281.86
(iii) Bank balances other than (ii) above	11(b)	6,555.44	307.32
(iv) Other financial assets	7	40.41	-
Other current assets	12	809.79	598.74
Total current assets		**11,910.04**	**4,217.08**
Total assets		**18,545.28**	**7,970.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	129.16	118.23
Other equity	14	14,046.87	6,332.83
Total equity		**14,176.03**	**6,451.06**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,679.02	271.13
(ia) Lease liabilities	3(b)	123.65	20.05
Provisions	18	45.89	36.08
Deferred tax liabilities (net)	19	274.38	210.68
Total non-current liabilities		**2,122.94**	**537.94**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	704.35	100.44
(ia) Lease liabilities	3(b)	10.45	2.71
(ii) Trade payables	17		
(a) total outstanding dues of micro and small enterprises		299.81	208.62
(b) total outstanding dues of creditors other than micro and small enterprises		489.77	290.49
(iii) Other financial liabilities	20	493.27	296.96
Provisions	18	6.25	4.26
Other current liabilities	21	63.77	50.39
Current tax liabilities (net)	22	178.64	27.92
Total current liabilities		**2,246.31**	**981.79**
Total liabilities		**4,369.25**	**1,519.73**
Total equity and liabilities		**18,545.28**	**7,970.79**

See accompanying notes forming part of the standalone financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Income			
Revenue from operations	23	4,529.28	3,407.71
Other income	24	115.49	319.93
Total income (I)		**4,644.77**	**3,727.64**
II. Expenses			
Cost of materials consumed	25(a)	1,034.30	667.63
Changes in inventories of finished goods, work-in-progress and scrap inventory	25(b)	(407.06)	(207.41)
Employee benefits expense	26	909.92	742.65
Finance costs	27	179.36	472.65
Depreciation expenses	28	285.91	205.30
Other expenses	29	1,382.17	1,038.96
Total expenses (II)		**3,384.60**	**2,919.78**
III. Profit before tax (I-II)		**1,260.17**	**807.86**
IV. Tax expenses	38		
Current tax		307.73	146.21
Tax expense pertaining to earlier year		19.69	-
Deferred tax		47.50	75.85
Total tax expense (IV)		**374.92**	**222.06**
V. Profit after tax (III-IV)		**885.25**	**585.80**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement losses on defined benefit plans		(1.32)	(3.58)
Tax relating to items that will not be reclassified to profit and loss		0.38	1.04
Total other comprehensive loss for the year, net of tax (VI)		(0.94)	(2.54)
VII. Total comprehensive income for the year (V + VI)		**884.31**	**583.26**
VIII. Earnings per share (Face value of share ₹ 2 each)			
- Basic	32	14.87	11.20
- Diluted		14.87	11.20

See accompanying notes forming part of the standalone financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
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Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2023		**16,51,826**	**16.52**
Changes in equity share capital during the year	13	5,74,61,167	101.71
As at March 31, 2024		**5,91,12,993**	**118.23**
Changes in equity share capital during the year	13	54,68,750	10.93
As at March 31, 2025		**6,45,81,743**	**129.16**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Total other equity
		Securities premium	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit obligations (net of taxes)	
Balance as at April 1, 2023	**14**	**754.60**	**1,231.95**	**39.00**	**(1.76)**	**2,023.79**
Profit for the year		-	585.80	-	-	585.80
Other comprehensive income (net of tax)		-	-	-	(2.54)	(2.54)
Issue of equity shares		2,390.84	-	-	-	2,390.84
Allotment of Equity shares pursuant to conversion of CCD's into Equity		1,590.04	-	-	-	1,590.04
Share issue expenses		(172.51)	-	-	-	(172.51)
Amount utilised for bonus issue		-	(82.59)	-	-	(82.59)
Balance at March 31, 2024	**14**	**4,562.97**	**1,735.16**	**39.00**	**(4.30)**	**6,332.83**
Profit for the year		-	885.25	-	-	885.25
Other comprehensive income (net of tax)		-	-	-	(0.94)	(0.94)
Issue of equity shares		6,989.06	-	-	-	6,989.06
Share issue expenses		(159.33)	-	-	-	(159.33)
Balance at March 31, 2025	**14**	**11,392.70**	**2,620.41**	**39.00**	**(5.24)**	**14,046.87**

See accompanying notes forming part of the standalone financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

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Ronak Jajoo
Chief Financial Officer

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Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

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Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities			
Profit before tax		1,260.17	807.86
Adjustments for :			
Depreciation expenses		285.91	205.30
Finance costs		179.36	472.65
Unrealized foreign exchange gain (net)		(15.72)	(6.24)
Provision for credit impaired trade receivable		35.76	21.39
Interest income		(61.98)	(14.02)
Profit on sale of property plant and equipment		-	(42.00)
Gain on derecognition of financial liabilities		-	175.62
Gain on sale of investment in subsidiary		-	(56.03)
Operating profit before working capital changes		**1,683.50**	**1,564.53**
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(536.80)	(528.05)
Inventories		(555.20)	(469.00)
Other financial assets		(3.88)	(207.92)
Other assets		(221.68)	(337.05)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		290.94	4.33
Other financial liabilities		159.01	18.03
Provision for employee benefits		11.80	11.96
Other liabilities		(23.69)	19.96
Cash generated from operating activities		**804.00**	**76.79**
Income taxes paid (net of refund)		(175.15)	(146.24)
Net cash flow from / (used) in operating activities	**A**	**628.85**	**(69.45)**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(2,751.29)	(753.36)
Inter corporate loan given to subsidiaries		(188.88)	-
Deposits (placed)/ matured with banks (net)		(6,223.20)	25.95
Interest income received		4.26	14.02
Advance towards purchase of Investments		(73.24)	-
Investment in subsidiaries		(0.20)	-
Proceeds from sale of property plant and equipment		-	42.02
Proceeds from sale of investment in subsidiaries		-	118.86
Net cash flow used in investing activities	**B**	**(9,232.55)**	**(552.51)**
C. Cash flow from financing activities			
Proceeds from issue of equity shares		7,000.00	2,400.00
Transaction cost on QIP issue		(116.21)	-
Proceeds from long term borrowings		1,646.62	437.39
Repayment of long term borrowings		(97.74)	(955.27)
Proceeds from/(repayment) of short term borrowings (net)		462.89	(696.72)
Principal paid on lease liabilities		(7.35)	(1.68)
Interest paid on lease liabilities		(12.01)	(1.18)
Finance costs paid		(150.61)	(472.65)
Net cash flow from financing activities	**C**	**8,725.59**	**709.89**
Net increase in cash and cash equivalents	**A+B+C**	121.89	87.93
Cash and cash equivalents at the beginning of the year		281.86	193.93
Cash and cash equivalents at the end of the year (Refer Note 11(a))		**403.75**	**281.86**

See accompanying notes forming part of the standalone financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

1 Corporate information

Azad Engineering Limited (Formerly known as Azad Engineering Private Limited) (the "Company") is one of the only Indian manufacturers of highly engineered, complex, mission and life critical high precision components. Our products include 3D rotating airfoil portions of turbine engines and other key products for combustion, hydraulics, flight-controls, propulsion and actuation which power defence and civil aircrafts, spaceships, defence missiles, nuclear power, hydrogen, gas power, oil and thermal power.

The Company was incorporated in September 1983, under the Companies Act, 1956, and is having its registered office at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055. The Company was converted to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on July 14, 2023 and consequently the name of the Company was changed to "Azad Engineering Limited".

The equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') on December 28, 2023.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the ''Act''). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant amendment rules issued thereafter.

The Company has prepared the standalone financial statements on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

(ii) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees ₹., which is also the Company's functional currency. Standalone Financial Statements presented in Indian rupees have been rounded-off to two decimal places to the nearest Millions except share data or as otherwise stated.

(iii) Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value
- Borrowings	: Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability	: Present value of defined benefit obligations

(iv) Use of estimates and judgements

The preparation of the Standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. 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.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Assumptions and estimation uncertainties

The Company uses critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements, for the following areas:

- Determining an asset's expected useful life and the expected residual value at the end of its life.
- Impairment of non financial assets and financial assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for financial assets and financial liabilities

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(vi) Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as twelve (12) months.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. 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.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of products:

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with market practice. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

ii) Sale of services:

The Company renders job work services that are provided separately. The Company recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

iii) Export benefits:

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) Interest income:

Interest income 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 discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Investment in subsidiaries:

The Company's investment in its subsidiaries are carried at cost.

D Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 subsequent years, 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 twelve (12) month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve (12) month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve (12) months after the year end.

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 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 etc.) 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.

In general, it is presumed that credit risk has significantly increased if the payment is over due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

iv) Derecognition of financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

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

This is the category most relevant to the Company. After initial recognition, interest-bearing 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.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

iii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

E Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment ('PPE') are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. 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. 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. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which it is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

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 the Statement of Profit and Loss.

Based on the technical assessment of useful life, Plant and machinery is being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Act. 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. The useful lives of the assets adopted by the company based on technical evaluation are given below:

Useful life table

Category of asset	Useful lives estimated by the management (years)	Useful lives as per Schedule II of Companies Act, 2013 (years)
Computers & data processing units	3	3
Electrical fittings	10	10
Furniture & fixtures	10	10
Servers & networks	6	6
Plant and machinery	15	7.5
Factory buildings	30	30
Office equipment	5	5
Vehicles	8	8

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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. Useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of PPE under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under “Other non-current Assets”.

F Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, 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 the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b Finished goods and work in progress (WIP):

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs.

It is valued at lower of cost and NRV. Cost of finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) Provision for inventory

Provision of obsolescence on inventories is considered basis the management's estimate, based on demand and market of the inventories.

d) Scrap inventory

Scrap is valued at net realisable value.

e) Tools

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

G Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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 if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

H Employee benefits

(a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is actuarially valued using the projected unit credit method, at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and 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.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated Absences:

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

I Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Company has the right to direct the use of the asset.

Company as a Lessee:

The Company recognizes a **right-of-use asset ("ROU")** and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The **lease liability** is initially measured at the present value of the lease payments that are not paid 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. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable in other than functional currency which is measured at fair value through profit or loss. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

J Taxation

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss 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 end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on independent tax specialist advice.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) 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 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.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

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 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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(iii) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the entity 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 entity recognises MAT credit as an asset, it is

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The entity reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

K Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in Standalone Financial Statements since this may result in the recognition of income that may never be realised.

However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

L Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

M Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

N Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

O Foreign currency transactions and balances

In preparing the Standalone Financial Statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. 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).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

P Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Q Recent accounting 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 not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Land	Factory buildings *	Plant and machinery	Electrical fittings	Furniture and fixtures	Computer and data processing Units	Servers and networks	Office equipment	Vehicles	Total
Gross carrying amount (deemed cost) **Balance as at April 01, 2023**	12.88	118.33	2,110.66	50.15	21.78	29.31	30.46	36.78	74.18	2,484.53
Additions	-	21.01	537.63	21.20	7.11	14.37	9.45	12.73	28.77	652.27
Disposals	(0.02)	-	-	-	-	(0.08)	-	-	-	(0.10)
Balance as at March 31, 2024	**12.86**	**139.34**	**2,648.29**	**71.35**	**28.89**	**43.60**	**39.91**	**49.51**	**102.95**	**3,136.70**
Additions	259.02	318.02	1,032.96	39.01	11.90	8.16	13.72	32.68	20.08	1,735.55
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**271.88**	**457.36**	**3,681.25**	**110.36**	**40.79**	**51.76**	**53.63**	**82.19**	**123.03**	**4,872.25**
Accumulated depreciation										
Balance as at April 01, 2023	**-**	**11.13**	**289.18**	**19.18**	**6.48**	**16.78**	**9.48**	**12.00**	**23.47**	**387.70**
Depreciation	-	4.23	159.37	6.09	2.89	7.51	5.07	8.15	10.32	203.63
Disposals	-	-	-	-	-	(0.04)	-	-	-	(0.04)
Balance as at March 31, 2024	**-**	**15.36**	**448.55**	**25.27**	**9.37**	**24.25**	**14.55**	**20.15**	**33.79**	**591.29**
Depreciation	-	7.76	207.46	8.22	3.36	9.61	10.14	11.17	13.04	270.76
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**-**	**23.12**	**656.01**	**33.49**	**12.73**	**33.86**	**24.69**	**31.32**	**46.83**	**862.05**
Net carrying amount										
As at March 31, 2024	**12.86**	**123.98**	**2,199.74**	**46.08**	**19.52**	**19.35**	**25.36**	**29.36**	**69.16**	**2,545.41**
As at March 31, 2025	**271.88**	**434.24**	**3,025.24**	**76.87**	**28.06**	**17.90**	**28.94**	**50.87**	**76.20**	**4,010.20**

*The factory building includes building constructed on the leasehold premises

Note:

1. Refer note 15 & 16 for information on property, plant and equipment pledged as security by the Company.

2. Borrowing costs capitalised during the year amounted to ₹ 8.30 Mn (March 31, 2024: Nil).

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

3. Details of title deeds not held in the name of the Company:

Relevant Line Item in the Balance Sheet	Description of Property	Gross carrying value [₹ in Mn]	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Property Plant and Equipment	Land - Tunkibollaram	259.02	Telangana State Industrial Infrastructure Corporation [TSIIC	No	From September 2021 to till Balance sheet date	The land was allotted to the company by TSIIC vide agreement date September 23, 2021. The allotted land shall be utilised for setting up of "Integrated Supply of Energy & Aerospace engines" as per Detailed project report. The agreement shall be valid for a period of 3 years from the date of agreement. The entity has completed the substantial portion of work as per the detailed project report but Where the transfer of title/Execution of Sale deed is subject to following conditions: i. Payment of Sale in full along with all other dues/ fees/levies/Property tax etc. ii. Implementation of the project in full as envisaged by the allottee as per the detailed project report furnished by them at the time of application and on commencement of commercial production iii.Utilisation of land to a minimum of 50% of the area in the land allotted for production facility. Company's management is confident on completion of balance project within envisaged timelines.

3(b) Right- of-use assets (ROU) and lease liabilities

(i) Movement in right- of- use assets and lease liabilities is given below:

a. Right- of-use assets

Particulars	Right of use assets (Land)
Cost	
As at April 01, 2023	**-**
Additions	29.00
Disposals	-
As at March 31, 2024	**29.00**
Additions	119.15
Disposals	-
As at March 31, 2025	**148.15**
Accumulated depreciation	
As at April 01, 2023	**-**
Depreciation for the year	1.67
Disposals	-
As at March 31, 2024	**1.67**
Depreciation for the year	15.15
Disposals	-
As at March 31, 2025	**16.82**
Net carrying amount as at March 31, 2024	**27.33**
Net carrying amount as at March 31, 2025	**131.33**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

b. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	**22.76**	**-**
Additions during the year	118.69	23.26
Finance cost	12.01	1.18
Payments	(19.36)	(1.68)
Closing Balance	**134.10**	**22.76**

Break up of the closing lease liabilities	As at March 31, 2025	As at March 31, 2024
Current	10.45	2.71
Non-current	123.65	20.05

(ii) Payments recognised as expenses during the year

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short term leases for the year (refer note-29)	13.95	11.12

(iii) Contractual maturities of lease liabilities on undiscounted basis as at:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	21.00	2.96
One to five years	81.66	13.41
More than five years	93.70	18.17

4 Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work in progress	797.80	454.34

Movement of CWIP:	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	454.34	379.86
Addition during the year	1,091.59	74.48
Capitalized during the year	(748.13)	-
Closing balance	**797.80**	454.34

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Ageing as on March 31, 2025

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	682.47	19.63	95.70	-	797.80
Project temporarily suspended	-	-	-	-	-
Total	**682.47**	**19.63**	**95.70**	**-**	**797.80**

Ageing as on March 31, 2024

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	74.48	143.30	236.56	-	454.34
Project temporarily suspended	-	-	-	-	-
Total	**74.48**	**143.30**	**236.56**	**-**	**454.34**

Notes:

1. There are no projects as capital work in Progress as at March 31, 2025 and March 31, 2024 whose completion is overdue or cost of which exceeds in comparison to its original plan.
2. Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.
3. A Writ Petition No. 18735 of 2024, was filed in July, 2024 by local residents before the High Court for the State of Telangana at Hyderabad ("Court") against the Company and on other government departments, in relation to the property purchased by the Company in Sy. No. 55 of the Mangampet village from the Telangana State Industrial Infrastructure Corporation Limited ("Schedule Property"). Company has filed a response on September 9, 2024, against the petition. The matter is currently pending before Hon'ble High Court. Management is confident on favourable outcome of this matter.
4. Borrowing costs capitalised during the year amounted to ₹ 6.34 Mn (March 31, 2024: 35.41).

5 Investments (Measured at cost)

	As at March 31, 2025	As at March 31, 2024
Non-current investments		
Investment in subsidiaries, unquoted		
Azad Prime Private Limited (10,000 (July 25, 2024) equity shares of par value Rs.10 each fully paid)	0.10	-
Azad VTC Private Limited (10,000 (May 09, 2024) equity shares of par value Rs.10 each fully paid)	0.10	-
	0.20	**-**
Aggregate value of unquoted investments	0.20	-

Notes:

1. The Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad Prime Private Limited ('Azad Prime'), incorporated in April 2024. As per terms of Shareholders Agreement ["SHA"] dated July 25, 2024 entered

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

between the Company & Leo Primecomp Private Limited ('Leo Prime'), during the quarter ended September 30, 2024, Azad Prime has issued additional equity shares to Leo Prime, consequently, the revised shareholding stands at 51% by Company and 49% by Leo Prime. Further as per terms of SHA, the Company has Call Option [right to buy] and Leo Prime has Put Option [right to Sell] – to the equity shares owned by Leo Prime upon occurrence of events agreed in SHA. Price payable to the Call Option / Put Option, by the Transferor for the purchase/sale of the securities pursuant to exercise of the qualified Call Option / Put Option on account of events mentioned in SHA - shall be the higher of: (i) Fair Market Value of the securities held by such Call / Put Option Transferor as on the date of such purchase/sale, or (ii) an amount of INR 225.63 Mn. During quarter ended December 31, 2024, the Company has paid an advance of ₹ 54.13 Mn to purchase the balance 49% of Shares held by Leo Prime on occurrence of the events as mentioned in SHA. The said advance is non-refundable and such amount shall be deducted from any amount payable to the Leo Prime pursuant to exercise of Call/Put Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

2. The Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad VTC Private Limited. As per terms of Shareholders Agreement ["SHA"] dated May 9, 2024 entered between the Company and other shareholder, during the quarter ended September 30, 2024, Azad VTC has issued additional equity shares to other shareholder, consequently, the revised shareholding stands at 51% by Holding Company and 49% by other shareholder. Further, as per terms of SHA, the Company has an Call Option [right to buy] to purchase the shares held by other shareholder. The Company paid an advance of ₹ 23.3 Mn to other shareholder to acquire the remaining 49% of shares in the future. This amount is refundable and can be deducted from amount payable to the other share holder on exercise of Call Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

6 Loans

	As at March 31, 2025	As at March 31, 2024
(Unsecured , considered good)		
Non current		
Inter-corporate Loans to subsidiary companies (refer note 31)	188.88	-
	188.88	**-**

Note: Intercorporate loans are given to Azad VTC Private Limited and Azad Prime Private Limited (Subsidiaries) which are unsecured and carry simple interest of not exceeding 10% per annum. Early repayment of loan is allowed and repayments first shall be applied to Interest accrued and then to outstanding Principal.(Maximum amount outstanding during the year is 188.88 Mn)

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

7 Other financial assets (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Non-current		
(Unsecured considered good)		
Deposits		
Security deposits	49.73	47.41
Deposit accounts with maturity for more than 12 months (refer note below)	174.59	199.51
Interest accrued on fixed deposits with maturity for more than 12 months	18.87	-
Advance towards purchase of investments (Refer Note 5)	73.24	-
	316.43	**246.92**
Current		
Interest accrued on fixed deposits	30.04	-
Interest accrued and not due on loans given to related parties (refer note 31)	8.81	-
Others	1.56	-
	40.41	**-**

Note: Out of the deposits, amount of ₹ 167.93 as at March 31, 2025 (March 31, 2024: ₹ 183.50) held as lien by banks towards the various fund facilities sanctioned.

8 Other non-current assets

	As at March 31, 2025	As at March 31, 2024
Non-current		
(Unsecured, Considered good)		
Capital advances (refer note below)	1,084.32	384.26
Prepaid expenses	55.43	62.11
Balance with statutory authorities - deposits	50.65	33.34
	1,190.40	**479.71**

Borrowing costs capitalised during the year amounted to ₹ 30.96 Mn (March 31, 2024: Nil).

9 Inventories

(Valued at lower of cost and net realisable value)	As at March 31, 2025	As at March 31, 2024
Raw material	624.75	529.24
Work in progress	961.51	600.70
Finished goods	42.75	19.83
Scrap inventory	104.32	80.99
Consumable stores, spares & fixtures	151.50	98.87
	1,884.83	**1,329.63**

Note: Refer Note 15 and 16 for details of inventory subject to charge on secured borrowings.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

10 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Unsecured,		
-Considered good (refer note below)	2,215.82	1,699.53
-Credit impaired	72.15	36.39
	2,287.97	**1,735.92**
Allowance for credit impaired		
Less: Allowance for credit impaired	(72.15)	(36.39)
	2,215.82	**1,699.53**

Notes:

i No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

ii Trade receivables are non-interest bearing and generally on terms of 120 to 180 days

iii Trade receivables include debts from related parties (refer note 31)

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36

Movement in the allowance for credit impaired is as follows:	As at March 31, 2025	As at March 31, 2024
Opening balance	36.39	15.00
Credit loss added	35.76	21.39
Closing balance	72.15	36.39

Ageing schedule of trade receivables outstanding as at March 31, 2025 is as follows:

Particulars	Not Due	Outstanding for following period 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 trade receivables considered good	1,144.39	963.19	115.45	35.57	18.14	11.23	2,287.97
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,144.39**	**963.19**	**115.45**	**35.57**	**18.14**	**11.23**	**2,287.97**
Less: Impairment loss on credit impaired trade receivables							72.15
Total	**1,144.39**	**963.19**	**115.45**	**35.57**	**18.14**	**11.23**	**2,215.82**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Ageing schedule of trade receivables outstanding as at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following period 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 trade receivables considered good	1,009.67	460.99	98.07	129.15	18.32	19.72	1,735.92
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,735.92**
Less: Impairment loss on credit impaired trade receivables							36.39
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,699.53**

11 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	156.44	241.50
In EEFC Accounts	234.14	26.55
Cash on hand	13.17	13.81
	403.75	**281.86**
(b) Bank balances other than Cash and cash equivalents:		
Deposit with original maturity for more than 3 months but less than 12 months [refer note (i) below]	55.44	307.32
Earmarked balances with banks [refer note (ii) below]	6,500.00	-
	6,555.44	**307.32**
	6,959.19	**589.18**

Notes:

(i) Out of the deposits, amount of ₹ 2.98 as at March 31, 2025 (March 31, 2024: ₹ 1.56) held as lien by banks towards the various fund facilities sanctioned.

(ii) Earmarked balances with banks primarily includes deposits placed with banks out of QIP proceeds (refer note 43).

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

12 Other current assets

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Advance to suppliers	242.72	137.13
Advances to employees	8.93	8.95
Balance with government authorities	526.33	262.54
Other deposits and advances	5.19	13.66
Prepaid expenses	11.92	18.36
IPO Receivables	14.70	158.10
	809.79	**598.74**

*Other deposits and advances include advances to related parties (refer note 31)

13 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital		
75,000,000 (March 31, 2024: 75,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and paid up		
6,45,81,743 (March 31, 2024: 5,91,12,993) equity shares of ₹ 2 each	129.16	118.23
	129.16	**118.23**

Notes:

(i) Reconciliation of authorised share capital at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	7,50,00,000	150	1,50,00,000	150.00
Changes during the year (refer note-below)	-	-	6,00,00,000	-
Outstanding at the end of the year	**7,50,00,000**	**150**	**7,50,00,000**	**150.00**

Note:

During preivous year sub-division of the Authorised Share Capital consisting of 1,50,00,000 equity shares of the Company having face value of ₹. 10 each into 7,50,00,000 equity shares of face value of ₹. 2 each w.e.f., September 12, 2023, without altering the aggregate amount of the same.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	5,91,12,993	118.23	16,51,826	16.52
Add:				
Impact of shares split [refer note (a) below]	-	-	66,07,304	-
Issue of bonus shares [refer note (b) below]	-	-	4,12,95,650	82.59
Allotment of Equity shares pursuant to conversion of CCD's into Equity [refer note (c) below]	-	-	49,78,062	9.96
Shares issued during the year (refer note 42 and 43 below)	54,68,750	10.93	45,80,151	9.16
Outstanding at the end of the year	**6,45,81,743**	**129.16**	**5,91,12,993**	**118.23**

Shareholders vide the Extra-ordinary general meeting dated have approved the following :

During previous year:

(a) Further, the issued, subscribed and paid-up share capital consisting of 16,51,826 equity shares of the Company having face value of ₹. 10 each shall stand sub-divided into 82,59,130 equity shares having face value of ₹. 2 each w.e.f., September 12, 2023 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

(b) Issue of fully paid bonus shares of ₹.2 each in proportion of 5 equity shares for every 1 existing equity share by capitalizing a sum of ₹. 82.59 from the retained earnings available with the Company.

(c) On December 11, 2023, Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, were converted into 4,978,062 Equity Shares.

(iii) Rights, preferences and restrictions attached to equity shares of ₹ 2 each, fully paid up:

The Company had only one class of equity shares having par value of ₹ 2 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 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.

(iv) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(v) Shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%	0%

Name of promoter	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435	88.66%	2517%

14 Other equity

	As at March 31, 2025	As at March 31, 2024
Securities premium [refer note (i)]	11,392.70	4,562.97
Retained earnings [refer note (ii)]	2,620.41	1,735.16
Capital redemption reserve [refer note (iii)]	39.00	39.00
Remeasurement of defined benefit obligations (net of tax) [refer note (iv)]	(5.24)	(4.30)
Total other equity	**14,046.87**	**6,332.83**

Notes:

(i) Securities premium	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	4,562.97	754.60
Add: Allotment of equity shares on conversion of CCD's [refer note 13(ii)c]	-	1,590.04
Add: Issue of equity shares during the year [refer note 13(ii)]	6,989.06	2,390.84
Less: Share issue expenses [refer note 13(ii)]	(159.33)	(172.51)
Closing balance	**11,392.70**	**4,562.97**

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

(ii) Retained earnings	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	1,735.16	1,231.95
Add: Profit for the year	885.25	585.80
Less: Amount utilised for bonus issue [refer note 13(ii)]	-	(82.59)
Closing balance	**2,620.41**	**1,735.16**

Retained earnings represents the Company's undistributed earnings after tax and can be utilised in accordance with the provisions of the Act.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(iii) Capital redemption reserve	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	39.00	39.00
Add: Transfer from retained earnings	-	-
Balance at the end of the year	39.00	**39.00**

Capital redemption reserve represents an amount equal to the nominal value of the preference shares redeemed transferred from retained earnings at the time of redemption of preference shares to the capital redemption reserve. The reserve will be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

iv) Remeasurement of defined benefit obligations (net of tax)	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	(4.30)	(1.76)
Add: Actuarial loss recognised during the year	(1.32)	(3.58)
Income-tax thereon	0.38	1.04
Closing balance	(5.24)	(4.30)

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

15 Long term borrowings (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans		
- from bank [refer note (i), (ii) and (iii)]	1,641.11	117.75
- from financial institution [refer note (iv)]	236.53	213.24
Vehicle loans [refer note (v)]	38.84	36.58
Unsecured		
Less : Current maturities of long term borrowings	(237.46)	(96.44)
Total	**1,679.02**	**271.13**

Notes:

i) **Terms of long term loan from consortium banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))**

The Company has taken the term loan under consortium arrangement which is lead by UBI- ₹ 411.80 (March 31, 2024: Nil), IndusInd ₹ 420.04 (March 31, 2024: Nil) and ICICI Bank ₹ 394.56 (March 31, 2024: ₹ 87.20) as other members, with interest rate ranging from 6.5%-10.9% which are repayable in 3 quarterly and 13-66 monthly equal installments for IndusInd, ICICI & UBI respectively.

The primary security for the loans consists of:

a. First pari-passu charge by way of hypothecation on the Company's entire property, plant and equipment (present and future).

b. Second pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

The collateral security for the loan includes:

a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

(ii) Terms of Long-Term Loan (Equipment Finance) from HDFC Bank

The Company has taken equipment finance loan with interest rate 9.4% repayable in 72 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹ 187.04 (March 31, 2024: Nil)

(iii) Terms of Long-Term Loan (Equipment Finance) from Yes Bank

The Company has taken Equipment Finance loan with interest rate ranging from 9.25%-10.5% repayable in 24-60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹ 227.67 (March 31, 2024: ₹ 30.55)

(iv) Terms of Long-Term Loan (Equipment Finance) from TATA Capital

The Company has taken Equipment Finance loan with interest rate ranging from 11%-15.55% repayable in 48-60 monthly equal/unequal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹ 236.53 (March 31, 2024: ₹ 213.24)

(v) Vehicle loans

The Company has taken vehicle loans from Yes bank ₹ 4.32 (March 31, 2024: ₹ 8.45), IDFC First bank ₹ 1.24 (March 31, 2024: ₹ 6.10), HDFC Bank ₹ 20.98 (March 31, 2024: ₹ 22.03) and Bank of Baroda ₹ 12.30 (March 31, 2024: ₹ Nil) with interest ranging from 8.06% to 11.04% which are repayable in 24-39 monthly equal installments. The said loans are secured by way of hypothecation on vehicles purchased.

16 Short-term borrowings

	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital loans (refer below note)	466.89	4.00
Current maturities of long term borrowings (refer note 15)	237.46	96.44
	704.35	**100.44**

Details of terms and security in respect of the short-term borrowings:

1. The Company has taken working capital demand loan under consortium arrangement which is lead by UBI ₹ 148.15 (March 31, 2024: Nil) and has IndusInd ₹ 171.49 (March 31, 2024: Nil) and ICICI Bank ₹ 147.25 (March 31, 2024: ₹ 4.00) as other members, with interest rate ranging from 6.3%-9.75% and repayable on demand.

   The primary security for the loans consists of:

   a. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

   b. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

   The collateral security for the loan includes:

   a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

   b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

17 Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	299.81	208.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	489.77	290.49
	789.58	**499.11**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days term.

(ii) Refer note 36 for the Company's liquidity and currency risk management process

(iii) Refer note 31 for trade payables to related parties

Trade payables ageing schedule as at March 31, 2025

Particulars	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) MSME	149.39	150.32	0.10	-	-	299.81
(ii) Others	190.06	291.15	8.07	0.44	0.05	489.77
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	339.45	**441.47**	**8.17**	**0.44**	**0.05**	**789.58**

Trade payables ageing schedule as at March 31, 2024

Particulars	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) MSME	104.15	104.47	-	-	-	208.62
(ii) Others	175.96	113.58	0.86	0.09	-	290.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	280.11	**218.05**	**0.86**	**0.09**	**-**	**499.11**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

18 Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
i. Provision for gratuity (refer note 35)		
Non-current	45.89	36.08
Current	4.80	3.38
ii. Provision for compensated absences		
Current	1.45	0.88
	52.14	**40.34**
Non-current	45.89	36.08
Current	6.25	4.26

19 Deferred tax liabilities (net)*

	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment	325.81	247.56
Borrowings	4.20	0.52
Receivables credit impaired	(20.99)	(10.58)
Right-of-use assets (net of lease liability)	(0.81)	1.33
Provision for employee benefits	(14.69)	(11.57)
MAT credit entitlement	-	(16.58)
Other timing difference	(19.14)	-
	274.38	**210.68**

*refer note 38

20 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	108.03	54.69
Interest accrued but not due on borrowings	3.51	1.80
Capital creditors	54.53	18.94
Other payables	145.73	79.64
IPO expense payable	44.78	137.69
QIB expense payable	136.03	-
Interest on suppliers registered under MSME Act, 2006	0.66	4.20
	493.27	**296.96**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

21 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory due payable	20.12	12.95
Advance from customers	43.29	31.38
Others payables	0.36	6.06
	63.77	**50.39**

22 Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Current tax payable	351.71	174.16
Current tax assets		
Advance tax including self assessment tax	(168.74)	(146.00)
TDS and TCS receivable	(4.33)	(0.24)
	178.64	**27.92**

23 Revenue from operations

	For the year ended March 31,2025	For the year ended March 31,2024
Revenue from contracts with customers (refer note 39)		
Sale of products	3,716.31	2,686.82
Sale of services	677.40	594.40
Other operating revenue		
- Scrap sales	99.64	105.89
- Export incentives	35.93	20.60
	4,529.28	**3,407.71**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

24 Other income

	For the year ended March 31,2025	For the year ended March 31,2024
Net gain on foreign currency transactions and translations	45.59	24.27
Interest income		
- on fixed deposits	52.20	14.02
- Financial assets at amortised cost	3.12	0.58
Interest on loan to related parties	9.78	-
Gain on derecognition of financial liabilities*	-	175.62
Profit on sale of property plant and equipment	-	42.00
Gain on sale of investment in subsidiary	-	56.03
Miscellaneous income	4.80	7.41
	115.49	**319.93**

*Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund were converted into equity on December 11, 2023. As per the contractual terms interest provided for in excess of the coupon rate amounting to Rs 175.62 was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.

25(a)	Cost of materials Consumed	For the year ended March 31,2025	For the year ended March 31,2024
	Opening stock of raw material	529.24	252.33
	Add: Purchases	1,129.81	944.54
	Less: Closing stock of raw material	(624.75)	(529.24)
		1,034.30	**667.63**

(b)	Changes in inventories of finished goods, work-in-progress and scrap inventory	For the year ended March 31,2025	For the year ended March 31,2024
	Inventory at the beginning of the year		
	Work in progress	600.70	399.93
	Finished goods	19.83	65.03
	Scrap inventory	80.99	29.15
		701.52	**494.11**
	Inventory at the end of the year		
	Work in progress	(961.51)	(600.70)
	Finished goods	(42.75)	(19.83)
	Scrap inventory	(104.32)	(80.99)
		(1,108.58)	**(701.52)**
		(407.06)	**(207.41)**
	Total material consumed	**627.24**	**460.22**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

26 Employee benefits expense

	For the year ended March 31,2025	For the year ended March 31,2024
Salaries, wages and bonus	832.77	676.37
Contribution to provident and other funds (refer note 35)	21.54	22.01
Gratuity expenses (refer note 35)	11.47	9.29
Staff welfare expenses	44.14	34.98
	909.92	**742.65**

27 Finance costs

	For the year ended March 31,2025	For the year ended March 31,2024
Interest on		
- Term loans	48.11	51.26
- Working capital loans	30.08	57.41
- Compulsorily Convertible Debentures	-	207.55
- Lease liabilities	12.01	1.18
- Others	15.03	10.01
Exchange differences adjusted to borrowing costs	1.99	14.27
Bank charges	6.26	4.24
Other borrowing costs	65.88	126.73
	179.36	**472.65**

* Borrowing costs capitalised during the year amounted to ₹ 45.60 Mn (March 31, 2024: ₹ 35.41 Mn).

28 Depreciation expenses

	For the year ended March 31,2025	For the year ended March 31,2024
Depreciation of property, plant and equipment (refer note 3(a))	270.76	203.63
Depreciation of right-of-use assets (refer note 3(b))	15.15	1.67
	285.91	**205.30**

29 Other expenses

	For the year ended March 31,2025	For the year ended March 31,2024
Stores and spares consumed	174.02	142.56
Job work charges	368.71	193.66
Tools	186.68	218.88
Repairs and maintenance :		
- Machinery	25.45	19.48
- Others	13.59	6.96

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

	For the year ended March 31,2025	For the year ended March 31,2024
Transportation charges	97.49	60.22
Power and fuel	160.23	135.60
Inspection and testing	24.89	15.41
Sales commission	8.67	9.05
Advertisement expenses	2.20	-
Business promotion	8.45	5.16
Communication, broadband and internet expenses	3.43	3.08
Insurance	11.06	17.93
Travelling and conveyance expenses	34.59	22.64
Rent [refer note 3(b)]	13.95	11.12
Rates and taxes	28.49	37.82
Professional & consultancy fees	25.81	14.50
Printing , stationary, postage and courier	13.33	6.90
Auditors remuneration [refer note (i) below]	5.20	3.90
Corporate social responsibility (CSR) expenses [refer note (ii) below]	8.19	4.72
Security charges	22.36	14.70
Outsourced manpower cost	85.60	57.21
Provision for credit impaired trade receivable (refer note 10)	35.76	21.39
Miscellaneous expenses	24.02	16.07
	1,382.17	**1,038.96**

Note (i) Auditors remuneration*

The following is the breakup of auditors remuneration (exclusive of indirect taxes)

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
As auditor		
	3.90	3.50
	1.10	0.30
In other capacity		
	0.20	0.10
	5.20	**3.90**

*Excluding IPO/QIP related expenses debited to share issue expenses amounting to 10.10 (March 31, 2024 : 12. 50)

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Note (ii) Details of Corporate social responsibility (CSR) expenditure:

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 Education, Health & Wellness. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
(1) Gross amount required to be spent by the Company during the year	8.19	4.72
(2) Amount spent during the year on		
- construction/acquisition of any asset	-	-
- on purpose other than above	15.29	-
(3) Shortfall/(excess) at the end of the year	(1.57)	4.72
(4) Total of previous years shortfall/(excess)	(1.57)	0.81
(5) Reason for shortfall/(excess)	carried forward to next year	Pertains to ongoing project
(6) Nature of CSR activities	Education, Health & Wellness, PM care fund	
(7) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(8) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

Notes:

#The Company has transferred 8.19 Mn to PM care fund on March 28, 2025 for the year ended March 31, 2025 and also spent previous year shortfall during the year ended March 31, 2025 for ongoing projects. The Company has transferred the unspent amount to a separate bank account on March 27, 2024 & March 28, 2024 for the year ended March 31, 2024 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

30 Contingent liabilities and commitments

(a) Contingent liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct tax	19.67	27.23
Goods and service tax	13.20	9.51
Customs duty	75.11	75.11
Guarantees issued by Company on behalf of Subsidiary (refer note 31)	52.45	-

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Direct tax:

For AY 2022-23, a demand of ₹ 15.71 arose out of an intimation order dated July 26, 2023 passed u/s 143(1) on processing of return of income. The demand was due to credit not allowed in respect of a challan of ₹ 2.00 due to mismatch and denial of deduction claimed u/s 80JJAA amounting to ₹ 33.76. The Company has submitted a request for allowing the credit and submitted necessary application to the authority seeking relief in this matter. Based on the facts and circumstances of the case, management is of the view that application would be considered favourably by the respective authority and necessary relief would be granted.

For AY 2021-22 a demand of ₹ 3.96 was received vide an intimation order dated March 7, 2023 passed u/s 143(1) while processing the of return of income. The demand arose due to denial of deduction claimed u/s 80JJAA amounting to ₹ 7.72. However, the management has submitted necessary application to the authority seeking relief in this matter, based on the facts and circumstances of the case, necessary relief would be granted.

Goods and Services Tax Act, 2017

The Company has received an order from the Office of Commissioner Appeals, GST and Central Tax, demanding a payment of ₹ 4.22 for the period January 2022 to March 2022 vide Appeal No. 01/2023 (MD) DGST/1455 and ₹ 5.29 for the period April 2022 to July 2022 vide Appeal No. 01/2023 (MD) DGST/1455 due to an excess refund claimed. This demand is based on findings related to the improper calculation of the turnover of zero-rated supplies, irregular availment of Input Tax Credit (ITC) on capital goods, and the inclusion of ineligible credit in the Net ITC used to determine the eligible refund amount. The management believes there are valid grounds to contest this order and intends to file an appeal with the GST Tribunal. The Company is in the process of filing an appeal before the Appellate tribunal.

An order of demand has been issued by the Assistant Commissioner of Central Tax dated August 31, 2024 for the Financial Years 2019-20 and 2020-21. The demand includes the tax liability amounting to INR 3.69 along with interest and penalties. This arises from observations made by the GST department during an audit of the company's books of accounts, for alleged short payment of GST, availment of Blocked Input Tax Credit, and non-payment of GST on certain other income. The management has evaluated the matters raised in the demand order and, based on its assessment, has decided to file an appeal with the Commissioner (Appeals) for the alleged short payment of GST and non-payment of GST on other income amounting to INR 2.58. The balance amount of tax of Rs. 1.11 is discharged. The appeal has been submitted for both the years on November 27, 2024 and the same is pending for hearing.

Customs duty:

All of the customs duty notices relate to Advance authorization/ EPCG Authorization licenses granted to the company. These licenses will enable the company to import the goods by claiming upfront exemption from payment of customs duty for Raw materials and Capital equipment's respectively. However, the grant of these licenses stipulate for fulfillment of specified export obligation. While the company has largely met the stipulated export obligation, it is yet to obtain and submit export obligation discharge certificate to the customs authorities. The reason for non submission of this document is attributable to delay in fixation of norms by norms committee. The Company has received intimation from Customs towards payment of duty amounting to ₹ 75.11 (March 31, 2024 : ₹ 75.11). Thus, as soon as the input output norms are finalized the company will furnish the requisite documents to customs authorities asking for the closure of the issue.

(b) Capital commitments

Particulars	As at March 31, 2025	As at March 31, 2024
i. Unexecuted capital orders to the extent not provided for (net of capital advance paid)	523.34	1,897.71
ii. The Company has entered into purchase of investment commitment (refer note 5)		

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

31 Related party disclosures

(a) Names of related parties and related party relationship

Nature of relationship	Name of the related party
Subsidiary companies	Azad VTC Private Limited (w.e.f March 29, 2024)
	Azad Prime Private Limited (w.e.f April 12, 2024)
	Swastik Coaters Pvt Ltd (up to September 15, 2023)
	Rouland Chemicals Pvt Ltd (upto September 15, 2023)
Key managerial persons:	Rakesh Chopdar- Chairman and Chief Executing Officer
	Jyoti Chopdar- Whole Time Director
	Vishnu Pramodkumar Malpani - Whole Time Director (w.e.f September 13, 2023)
	Madhusree Vemuru-Non executive & independent director (w.e.f September 12, 2023)
	Michael Joseph Booth-Non executive & independent director (w.e.f September 12, 2023)
	Subba Rao Ambati-Non executive & independent director (w.e.f September 24, 2023)
	Deepak Kabra-Non executive & independent director (w.e.f January 3, 2025)
	Murali Krishna Bhupatiraju Managing Director (w.e.f January 3, 2025)
	Ronak Jajoo - Chief Financial Officer (w.e.f September 14, 2023)
	Ful Kumar Gautam- Company Secretary
Relatives of KMPs	Kartik Chopdar
	Satwik Chopdar
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Agen Metcast Private Limited (w.e.f June 18, 2021 till January 06, 2023)
	Swastik Coaters Pvt Ltd (w.e.f September 16, 2023)
	Rouland Chemicals Pvt Ltd (w.e.f September 16, 2023)
	Agrima Logipark

(b) Transactions with subsidiaries

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental expense:		
Swastik Coaters Pvt Ltd	-	0.06
Rouland Chemicals Pvt Ltd	-	0.06
Job work charges:		
Azad VTC private limited	5.86	-
Loans given:		
Azad VTC private limited	27.10	-

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Azad Prime private limited	161.78	-
Investments made:		
Azad VTC private limited	0.10	-
Azad Prime private limited	0.10	-
Corporate Guarantee given		
Azad VTC private limited	65.00	-
Interest Income		
Azad VTC private limited	1.83	-
Azad Prime private limited	7.95	-

(c) Balances with subsidiaries

Particulars	As at March 31, 2025	As at March 31, 2024
Loans		
Azad VTC private limited	27.10	-
Azad Prime private limited	161.78	-
Trade payables		
Azad VTC private limited	1.12	-
Azad Prime private limited	-	
Investments made:		
Azad VTC private limited	0.10	-
Azad Prime private limited	0.10	-
Interest accrued but not due on Loans		
Azad Prime private limited	7.16	-
Azad VTC private limited	1.65	-
Coroporate Guarantee given		
Azad VTC private limited	52.45	-

(d) Transactions with KMP's/directors and their relatives

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
KMPs Remuneration#:		
Rakesh Chopdar	48.00	43.49
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	7.42	7.20
Murali Krishna Bhupatiraju	9.99	-
Ful Kumar Gautam	2.13	1.92
Ronak Jajoo	5.28	5.29

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
KMPs Relatives Remuneration# :		
Kartik Chopdar	4.87	3.90
Satwik Chopdar	0.48	0.52
Loan (taken)/repaid (from)/to related parties (Included in long term borrowings)		
Jyoti Chopdar	-	3.75

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for selected individuals.

(e) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2025	As at March 31, 2024
Other current financial liabilities (salaries payable)		
Rakesh Chopdar	1.50	-
Jyoti Chopdar	1.00	-
Kartik Chopdar	0.29	0.22
Ful Kumar Gautam	0.10	0.01
Ronak Jajoo	0.44	0.36
Vishnu Pramodkumar Malpani	0.60	0.47
Satwik Chopdar	0.04	0.10
Murali Krishna Bhupatiraju	1.09	-
Advances to employees (Included in other current assets)		
Kartik Chopdar	-	0.15
Satwik Chopdar	-	0.10

(f) Transactions with entities over which KMPs/ directors and/or their relatives are able to exercise significant influence

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of goods or services		
Atlas Fasteners	2.24	0.91
Rental expense:		
Swastik Coaters Pvt Ltd	1.48	0.84
Rouland Chemicals Pvt Ltd	1.48	0.84
Agrima Logipark	12.20	-
Financial assets at amortised cost(Included in other income)		
Agen Metcast Private Limited	-	1.19

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of goods or services		
Atlas Fasteners	-	17.60
Security deposits (included in non current financial assets)		
Swastik Coaters Pvt Ltd	-	4.96
Interest Income		
Swastik Coaters Pvt Ltd	0.20	-
Rouland Chemicals Pvt Ltd	0.20	-
Jobwork expense		
Atlas Fasteners	1.11	2.27

(g) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at March 31, 2025	As at March 31, 2024
Other non current financial assets		
Forgen Power Parts Private Limited (security deposits)	2.00	2.00
Other deposits & Advances (Included in other current assets)		
Agen Metcast Private Limited	-	10.49
Trade receivables		
Atlas fasteners	3.90	1.42
Advance to suppliers (Included in other current assets)		
Atlas fasteners	12.40	9.38
Security deposits (included in other non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	4.96
Rouland Chemicals Pvt Ltd	4.96	4.96
Trade payables		
Swastik Coaters Pvt Ltd	-	3.85
Rouland Chemicals Pvt Ltd	0.89	0.52
Advances for purchase of goods & services		
Swastik Coaters Pvt Ltd	0.83	-

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

32 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings		
Profit after tax for the year attributable to equity shareholders	885.25	585.80
Profit for the year considered for calculation of diluted earnings per share	885.25	585.80
Shares		
Original number of equity shares (post share split) #	5,91,12,993	82,59,130
Add : Impact of bonus issue #	-	4,12,95,650
Add : Equity shares issued during the year	54,68,750	45,80,151
Add : Allotment of Equity shares pursuant to conversion of CCD's into Equity	-	49,78,062
No of shares at the end of the year	**6,45,81,743**	**5,91,12,993**
Weighted average number of equity shares		
For calculating Basic EPS	5,95,47,496	5,22,99,486
Effect of dilution:		
Weighted average number of equity shares for Diluted EPS	5,95,47,496	5,22,99,486
Earnings Per Share		
Face Value ₹ 2 per share		
Basic (₹)	14.87	11.20
Diluted (₹)	14.87	11.20

Shareholders have approved the below at Extra-ordinary general meeting held on September 12, 2023:

a. Share split of one equity share having face value of ₹ 10 each into 5 shares of ₹ 2 each and

b. Issue of fully paid bonus shares of ₹ 2 each in proportion of five equity shares for every one existing equity share.

33 Segment reporting

In accordance with Ind AS 108 - 'Operating segments', segment information has been disclosed in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is provided in the standalone financial statements.

34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The amounts remaining unpaid to micro and small supplies as at end of the year		
i) Principal amount remaining unpaid to supplier at the end of the year	299.81	208.62
ii) Interest due thereon remaining unpaid to supplier at the end of the year	0.66	4.21
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	3.55	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	0.66	4.21

35. Employee benefits

a) Defined contribution plan

Provident Fund: Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined benefit plan

Gratuity: The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

c) Amounts recognised as expense:

i) Defined contribution plan

Provident fund

Contribution towards employee provident fund, which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 17.72 (March 31, 2024 : ₹ 16.87) (refer note 26)

Employees' State Insurance & Labour welfare fund

Contribution towards Employees' State Insurance & Labour welfare fund, which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 3.82 (March 31, 2024 : ₹ 5.14) (refer note 26)

ii) Defined benefit plan

Gratuity expenses for the year March 31, 2025 aggregated to ₹ 11.47 (March 31, 2024: ₹ 9.29). The

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Company's gratuity plan is unfunded. (refer note 26)

d) Amounts recognised in the standalone financial statements as at year end for Gratuity are as under:

	Particulars	As at March 31, 2025	As at March 31, 2024
i)	**Change in present value of obligation**		
	Present value of the obligation at the beginning of the year	39.46	28.10
	Current service cost	8.84	7.35
	Interest cost	2.63	1.93
	Actuarial (gain)/loss on obligation- due to change in financial assumptions	1.36	0.81
	Actuarial (gain)/loss on obligation- due to experience adjustments	(0.04)	2.78
	Benefits paid	(1.56)	(1.51)
	Present value of the obligation at the end of the year	**50.69**	**39.46**
ii)	**Bifurcation of present value of benefit obligation**		
	Current- Amount due within one year	4.80	3.38
	Non-current- Amount due after one year	45.89	36.08
	Total	**50.69**	**39.46**
iii)	**Expected benefit payments in future years**		
	Year 1	4.80	3.38
	Year 2	3.95	2.82
	Year 3	3.44	3.20
	Year 4	4.19	2.77
	Year 5	3.99	3.30
	Year 6 to Year 10	19.92	15.88
iv)	**Sensitivity analysis**		
	Discount rate - 1 % increase	46.53	36.12
	- 1 % decrease	55.55	43.36
	Salary escalation rate - 1 % increase	55.40	43.23
	- 1 % decrease	46.58	36.19
v)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current service cost	8.83	7.35
	Net interest on net defined liability / (asset)	2.64	1.94
	Expenses recognised in Statement of Profit and Loss	**11.47**	**9.29**
vii)	**Recognised in other comprehensive income for the year**		
	Actuarial Gains / (Losses) on Liability	(1.32)	(3.58)
	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above	-	-

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

	Recognised in other comprehensive income	**(1.32)**	**(3.58)**
viii)	**Actuarial assumptions**		
	i) Discount rate	6.66%	7.00%
	ii) Salary escalation rate	3.00%	3.50%
	iii) Retirement age	58 years	58 years
	iv) Attrition rate	5.00%	5.00%
	v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.

36 Financial instruments

A. Financial instruments by category	Method of valuation	Note	As at March 31, 2025	As at March 31, 2024
Financial assets				
Non current				
(i) Investments	Cost	5	0.20	-
(ii) Loans	Amortised Cost	6	188.88	-
(iii) Other financial assets	Amortised Cost	7	316.43	246.92
Current				
(i) Trade receivables	Amortized Cost	10	2,215.82	1,699.53
(ii) Cash and cash equivalents	Amortized Cost	11(a)	403.75	281.86
(iii) Bank balances other than (ii) above	Amortized Cost	11(b)	6,555.44	307.32
(iv) Other financial assets	Amortized Cost	7	40.41	-
Total financial assets			**9,720.93**	**2,535.63**
Financial liabilities				
Non current				
(i) Borrowings	Amortised cost	15	1,679.02	271.13
(ia) Lease liabilities	Amortised cost	3(b)	123.65	20.05
Current				
(i) Borrowings	Amortised cost	16	704.35	100.44
(ia) Lease liabilities	Amortised cost	3(b)	10.45	2.71
(ii) Trade payables	Amortised cost	17	789.58	499.11
(iii) Other financial liabilities	Amortised cost	20	493.27	296.96
Total financial liabilities			**3,800.32**	**1,190.40**

The management assessed that fair value of cash and short-term deposits, 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.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits and bank deposits.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Company risk management is carried out by the senior management under policies approved by the board of directors. The board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse 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 and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords

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(All amounts are ₹ in millions, unless otherwise stated)

before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

ii. Trade receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from top customer	631.30	554.38
Revenue from top 5 customers	2,314.75	1,536.28
One customer accounts for more than 10% of the revenue for the year ended March 31, 2025 (March 31, 2024: one customer).		

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for group of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Movement in the allowance for credit impaired is as follows:	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	36.39	15.00
Credit loss added	35.76	21.39
Closing balance	72.15	36.39

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at March 31, 2025

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	1,679.02	-	1,633.51	45.52	1,679.02
Lease liabilities	134.10	21.00	81.66	93.70	196.36
Short-term borrowings	704.35	704.35	-	-	704.35
Trade payables	789.58	789.58	-	-	789.58
Other financial liabilities	493.27	493.27	-	-	493.27
Total	**3,800.32**	**2,008.20**	**1,715.17**	**139.22**	**3,862.58**

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(All amounts are ₹ in millions, unless otherwise stated)

As at March 31, 2024

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	271.13	-	271.13	-	271.13
Lease liabilities	22.76	2.96	13.41	18.17	34.54
Short-term borrowings	100.44	100.44	-	-	100.44
Trade payables	499.11	499.11	-	-	499.11
Other financial liabilities	296.96	296.96	-	-	296.96
Total	**1,190.40**	**899.47**	**284.54**	**18.17**	**1,202.18**

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. 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 borrowings and derivative financial instruments.

(i) Interest rate risk

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	1,345.57	307.33
Fixed rate borrowings	1,037.80	64.24

Interest rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Sensitivity		
1% increase in variable rate	(13.46)	(3.07)
1% decrease in variable rate	13.46	3.07

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 different currency from the Company's functional currency).

The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of 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.

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(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Amount in USD	Equivalent amount in INR for USD	Amount in EURO	Equivalent amount in INR for EURO	Amount in Other Currencies	Equivalent amount in INR
March 31, 2025						
Trade receivable	20.50	1,752.14	5.12	471.27	-	-
Trade payable	0.98	84.07	0.09	8.30	9.73	8.50
Borrowings	-	-	8.93	821.99	-	-
Advance from customers	0.09	6.11	0.11	9.44	-	-
March 31, 2024						
Trade receivable	3.72	323.47	12.64	1,051.79	-	-
Trade payable	0.34	28.22	0.10	8.75	0.01	1.12
Borrowings	-	-	-	-	-	-
Advance from customers	0.66	54.74	0.09	8.51	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of 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. The effect of a 5% strengthening or weakening of the respective currencies on the profit and loss account is demonstrated in the following table.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2025					
	USD	83.71	(83.71)	59.33	(59.33)
	EURO	(17.48)	17.48	(12.39)	12.39
	JPY	(0.43)	0.43	(0.30)	0.30
March 31, 2024					
	USD	17.50	(17.50)	13.10	(13.10)
	EURO	52.58	(52.58)	39.34	(39.34)
	JPY	(0.06)	0.06	(0.04)	0.04

37 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

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. 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. Total debt comprises of non-current borrowing which represents liability component of Compulsory Convertible Debentures and current borrowing from banks and financial institutions. 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.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at March 31, 2025	As at March 31, 2024
Total debt (refer note 15 and 16)	2,383.37	371.57
Less : cash and cash equivalents and bank balances (refer note 11(a) and 11(b))	6,959.19	589.18
Adjusted net debt	**(4,575.82)**	**(217.61)**
Total equity	**14,176.03**	**6,451.06**
Gearing ratio	**(0.48)**	**(0.03)**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year March 31, 2025 and March 31, 2024.

Refer note 46(10) of standalone financial statements for return on capital employed.

38 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2025	For the year ended March 31, 2024
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current tax**		
	Current year	307.73	146.21
	Tax pertaining to earlier years	19.69	-
	Total (A)	**327.42**	**146.21**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	47.50	75.85
	Total (B)	**47.50**	**75.85**
	Total (A+B)	**374.92**	**222.06**
C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	(0.38)	(1.04)
		(0.38)	**(1.04)**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Current tax (assets) / liabilities (net)

		As at March 31, 2025	As at March 31, 2024
D.	Advance tax Including TDS receivable and self assessment tax	(173.07)	(146.24)
E.	Provision for tax	351.71	174.16
		178.64	**27.92**

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income taxes	1,260.17	807.86
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	367.00	235.00
Tax effect of expenditure disallowed under income tax	7.30	5.67
Effect on account of different tax rate for calculating capital gain	-	(17.53)
Tax effect of earlier years (net)	0.44	-
Others	0.18	(1.08)
Total income tax expense	**374.92**	**222.06**

Movement during the year ended March 31, 2025	As at April 01, 2024	MAT Credit Utilisation	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2025
Deferred tax (assets)/liabilities					
On property, plant and equipment	247.56	-	78.25	-	325.81
On provision for employee benefits	(11.57)	-	(2.74)	(0.38)	(14.69)
Provision for Credit impaired	(10.58)	-	(10.41)	-	(20.99)
Borrowings	0.52	-	3.68	-	4.20
Right of use assets (net of lease liability)	1.33	-	(2.14)	-	(0.81)
MAT Credit Entitlement	(16.58)	16.58	-	-	-
Other timing difference	-	-	(19.14)	-	(19.14)
Total	**210.68**	**16.58**	**47.50**	**(0.38)**	**274.38**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Movement during the year ended March 31, 2024	As at April 01, 2023	MAT Credit Utilisation	(Credit)/charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2024
Deferred tax (assets)/liabilities					
On property, plant and equipment	203.25	-	44.31	-	247.56
On provision for employee benefits	(9.00)	-	(1.53)	(1.04)	(11.57)
Provision for credit impaired	(4.37)	-	(6.21)	-	(10.58)
Borrowings	(11.22)	-	11.74	-	0.52
Right of use assets (net of lease liability)	-	-	1.33	-	1.33
MAT Credit Entitlement	(25.74)	-	9.16	-	(16.58)
Unabsorbed depreciation and business losses*	(16.71)	-	16.71	-	-
Provision for others	(0.34)	-	0.34	-	-
Total	**135.87**	**-**	**75.85**	**(1.04)**	**210.68**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

39 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from sale of products	3,716.31	2,686.82
Income from sale of services	677.40	594.40
Income from - scrap sales	99.64	105.89
Export incentives	35.93	20.60
	4,529.28	**3,407.71**

Disaggregated revenue information

Geographic revenue		
Revenue from contract with customers		
With in India	365.27	425.89
Outside India	4,164.01	2,981.82
	4,529.28	**3407.71**
Timing of revenue recognition		
Services transferred at a point of time	713.33	615.00
Goods transferred at a point of time	3,815.95	2,792.71
Total revenue from contracts with customers	**4,529.28**	**3,407.71**

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	4,529.28	3,407.71
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**4,529.28**	**3,407.71**

Contract balances

	As at March 31, 2025	**As at March 31, 2024**
Trade receivables (Refer Note 10)	2,215.82	1,699.53
Contract assets	-	-
Contract liabilities	-	-

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of Job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

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

41 Subsequent events

No Significant Subsequent events have been observed which may require an adjustment / disclosure to the financial statements

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

42 Utilisation of funds raised through initial public offer (IPO)

The Company has completed an Initial Public Offer ("IPO") of 14,122,108 Equity Shares at the face value of Rs 2/- each at an issue price of Rs 524/- per Equity share, comprising a fresh issue of 4,580,151 shares.

Rs. 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses Rs 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of Rs. 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

Object of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up March 31, 2025	Unutilised amount up to March 31, 2025 *
Towards funding of capital expenditure	603.95	450.39	153.56
Repayment/prepayment, in part or full, of certain of the borrowings availed by the Company	1,381.88	1,357.10	24.78
General corporate purposes*	241.66	420.00	(178.34)
Total	2,227.49	2,227.49	-

* The Company has utilised Rs. 420.00 Mn towards General Corporate Purpose as against the estimated amount of Rs. 241.66 Mn stated in the prospectus. The excess utilisation of Rs.178.34 Mn is from the proceeds estimated for the capital expenditure and Repayment of borrowings availed by the Company. However, these amounts are within the limits of 25% of gross proceeds of fresh issue as set out in the prospectus as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and above revisions are considered at the board meeting of the Company.

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During the quarter ended March 31, 2025, pursuant to Qualified Institutions Placement (‘QIP’) the Company issued and allotted 5,468,750 equity shares of face value of ₹ 2 each, to eligible Qualified Institutional Buyers (‘QIBs’) at the issue price of Rs. 1280 (including a premium of Rs. 1278 per equity share) aggregating to ₹ 7,000.00 million. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

As per placement document dated March 3, 2025, the net proceeds from the Issue ₹ 6812.10 Mn, is after deducting fees, commissions and expenses of the Issue ₹ 187.90 Mn. Issue Expenses (excluding GST) - Rs. 159.33 Mn was adjusted against the securities premium.

Out of Net QIP Proceeds, ₹ 436.72 million was utilised towards Funding and part-funding the capital expenditure of our Company, general corporate purpose and the balance unutilised ₹ 6,375.38 million as at March 31, 2025, where temporarily invested as deposits with scheduled commercial banks and balance lying in monitoring account.

44 Other disclosures

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

(e) The Company have 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: (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.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(f) The Company have 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 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) 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, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

(k) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

(l) The Company has neither declared nor paid any dividend during the reporting period.

(m) 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) are held in the name of the Company except for building constructed on the lease hold land as disclosed in note 3(a) and 3(b) in the standalone financial statements.

(n) The Company has not revalued its property, plant and equipment during the financial year 2024-25.

(o) The stock statements filed by the Company with the banks are in agreement with the books of accounts of the Company.

(p) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, 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 to the extent it was enabled and recorded in previous year.

(q) During the year, the company has approved Azad ESOP Scheme - 2024 at the members general meeting dated January 28, 2025. As of reporting date, no options are granted to employees.

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Note on Social Security Code: The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

Notes forming part of the Standalone Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

46 Ratios as per the Schedule III requirements

S no	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	Variance	Variation	Reason for change more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	5.30	4.30	1.01	23.44%	Not a major Variance
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	0.17	0.06	0.11	191.90%	Increase in ratio due to fresh issue of shares, raising of new loans during current year.
3	Debt Coverage Ratio	Earnings available for debt service	Total Interest and principal repayments	4.81	2.37	2.44	102.82%	Improvement in ratio is in line with the Increase in profit during the year.
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Total equity	0.06	0.09	(0.03)	-31.23%	Decrease in ratio is due to increase of capital by issue of fresh shares at the end of year.
5	Inventory turnover ration (In times)	Cost of goods sold	Average Inventory	0.39	0.42	(0.03)	-7.17%	Not a major Variance
6	Trade receivables turnover ratio (in times)	Credit sales	Average Trade Receivables	2.31	2.36	(0.05)	-2.02%	Not a major Variance
7	Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	1.75	1.90	(0.15)	-7.75%	Not a major Variance
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	1.33	1.24	0.09	7.09%	Not a major Variance
9	Net profit ratio (in %)	Net profit after tax	Sales	0.20	0.17	0.02	13.70%	Not a major Variance
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed	0.09	0.19	(0.10)	-53.68%	Decrease in ratio is due to increase of capital by issue of fresh shares.

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The standalone financial statements were approved by the Board of Directors and authorised for issue on May 23, 2025.

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Independent Auditor's Report

To the Members of Azad Engineering Limited [formerly known as Azad Engineering Private Limited]

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Azad Engineering Limited [formerly known as Azad Engineering Private Limited] (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Group as at March 31, 2025 of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition – (Refer note 2.2 (A) of Consolidated Financial Statements):

Revenue is a key performance measure for the Holding Company. Revenue of the Holding Company mainly comprise of sales of goods to its customers.

The Holding Company recognises the sale of goods, based on the terms and conditions of transactions which varies with different customers, at a point in time upon satisfying its performance obligation and the customer obtaining control of the underlying asset.

In respect of sale transactions executed, there exists significant audit risk with respect to performance obligations whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly cut off for revenue is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the revenue recognition accounting policies as required under the applicable accounting standards.
2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of sales transactions.

3. Obtained contracts with customers and basis which revenue is recognised and verified the underlying documents and evidence for transfer of control and fulfilment of performance obligations.
4. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes and shipping documents, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date.
5. Obtained evidence in respect of sales transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.
6. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any.
7. Tested, on sample basis journal entries relating to revenues to identify and inquire on unusual items if any.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. (hereinafter referred to as "other information") but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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

Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, to the extent applicable, 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 consolidated financial statements.

    b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g).

    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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 30 to the consolidated financial statements.

        b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

        d.

            (1) The respective Managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their 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 Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

            (2) The respective Managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited

under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, associates and joint ventures from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, associates and joint ventures 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors 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 mis-statement.

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

f. (a) Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 44 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

(b) In respect of subsidiaries, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility, that has not been enabled in the accounting software throughout the year as explained in Note 44 to the financial statements. Accordingly, we are unable to comment whether the audit trail feature has operated throughout the year for all relevant transaction recorded in the software or whether there is any instance of audit trail feature being tampered.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. According to the information and explanations given to us, the details of Qualifications remarks made by us for the Group in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Azad Engineering Limited	L74210TG1983PLC004132	Holding Company	i (c)
2	Azad Engineering Limited	L74210TG1983PLC004132	Holding Company	vii (b)
3	Azad Prime Private Limited	U27900TS2024PTC184438	Subsidiary	xvii
4	Azad VTC Private Limited	U25920TS2024PTC183898	Subsidiary	xvii

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQZ6069

Place: Hyderabad
Date: May 23, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED [FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED]

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Holding Company and its subsidiaries has adequate internal financial controls with reference to consolidated 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQZ6069

Place: Hyderabad
Date: May 23, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED [FORMERLY KNOWN AS AZAD ENGINEERING LIMITED]

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Azad Engineering Limited [formerly known as Azad Engineering Private Limited]** on the consolidated Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of Azad Engineering Limited [formerly known as Azad Engineering Private Limited] (hereinafter referred to as "the Holding Company"), which includes the internal financial controls over financial reporting of the its subsidiaries incorporated in India (the Holding Company and its subsidiaries together referred to as "the Group"), as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Group which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies 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 Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by 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 the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Group and, which are companies incorporated in India, 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. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Group, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQZ6069

Place: Hyderabad
Date: May 23, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	4,166.46	2,545.41
Right-of-use assets	3(b)	193.85	27.33
Capital work-in-progress	4	797.80	454.34
Financial assets			
Other financial assets	5	264.69	246.92
Other non-current assets	6	1,214.12	479.71
Total non-current assets		**6,636.92**	**3,753.71**
Current assets			
Inventories	7	1,893.01	1,329.63
Financial assets			
(i) Trade receivables	8	2,234.80	1,699.53
(ii) Cash and cash equivalents	9 (a)	408.33	281.86
(iii) Bank balances other than (ii) above	9 (b)	6,561.94	307.32
(iv) Other financial assets	5	31.70	-
Other current assets	10	840.28	598.74
Total current assets		**11,970.06**	**4,217.08**
Total assets		**18,606.98**	**7,970.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	129.16	118.23
Other equity	12	13,808.74	6,332.40
Equity attributable to the owners of the parent		**13,937.90**	**6,450.63**
Non controlling Interest		(7.64)	-
Total equity		**13,930.26**	**6,450.63**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	1,708.65	271.13
(ia) Lease liabilities	3(b)	175.16	20.05
(ii) Other financial liabilities	18	171.50	-
Provisions	16	45.89	36.08
Deferred tax liabilities (net)	17	274.38	210.68
Total non-current liabilities		**2,375.58**	**537.94**
Current liabilities			
Financial liabilities			
(i) Borrowings	14	727.17	100.44
(ia) Lease liabilities	3(b)	22.67	2.71
(ii) Trade payables	15	-	
(a) total outstanding dues of micro and small enterprises		299.81	208.62
(b) Total outstanding dues of creditors other than micro and small enterprises		501.27	290.92
(iii) Other financial liabilities	18	498.35	256.32
Provisions	16	6.25	4.26
Other current liabilities	19	66.98	91.03
Current tax liabilities (net)	20	178.64	27.92
Total current liabilities		**2,301.14**	**982.22**
Total liabilities		**4,676.72**	**1,520.16**
Total equity and liabilities		**18,606.98**	**7,970.79**

See accompanying notes forming part of the consolidated financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Income			
Revenue from operations	21	4,573.54	3,407.71
Other income	22	105.91	319.93
Total income (I)		**4,679.45**	**3,727.64**
II. Expenses			
Cost of materials consumed	23(a)	1,049.86	667.63
Changes in inventories of finished goods, work-in-progress and scrap inventory	23(b)	(413.08)	(207.41)
Employee benefits expense	24	928.66	742.65
Finance costs	25	183.89	472.65
Depreciation expenses	26	294.84	205.30
Other expenses	27	1,395.02	1,038.96
Total expenses (II)		**3,439.19**	**2,919.78**
III. Profit before tax (I-II)		**1,240.26**	**807.86**
IV. Tax expenses	36		
Current tax		307.73	146.21
Tax expense pertaining to earlier year		19.69	-
Deferred tax		47.50	75.85
Total tax expense (IV)		**374.92**	**222.06**
V. Profit after tax (III-IV)		**865.34**	**585.80**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement losses on defined benefit plans		(1.32)	(3.58)
Tax relating to items that will not be reclassified to profit and loss		0.38	1.04
Total other comprehensive loss for the year, net of tax (VI)		(0.94)	(2.54)
VII. Total comprehensive income for the year (V + VI)		**864.40**	**583.26**
Net profit attributable to:			
i) Owners of the company		873.18	585.80
ii) Non controlling interest		(7.84)	-
Other Comprehensive Income attributable to:			
i) Owners of the company		(0.94)	(2.54)
ii) Non controlling interest		-	-
Total comprehensive income attributable to:			
i) Owners of the company		872.24	583.26
ii) Non controlling interest		(7.84)	-
Earnings per share (Face value of share ₹ 2 each)			
- Basic	30	14.66	11.20
- Diluted		14.66	11.20

See accompanying notes forming part of the consolidated financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2023		**16,51,826**	**16.52**
Changes in equity share capital during the year	11	5,74,61,167	101.71
As at March 31, 2024		**5,91,12,993**	**118.23**
Changes in equity share capital during the year	11	54,68,750	10.93
As at March 31, 2025		**6,45,81,743**	**129.16**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Derivative Financial Instrument (refer note 43)	Equity attributable to equity holders of the Company	Non-controlling interest	Total Other equity
		Securities premium	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit obligations (net of taxes)				
Balance as at April 01, 2023	**12**	**754.60**	**1,231.52**	**39.00**	**(1.76)**	**-**	**2,023.36**	**-**	**2,023.36**
Profit for the year		-	585.80	-	-	-	585.80	-	585.80
Other comprehensive income (net of tax)		-	-	-	(2.54)	-	(2.54)	-	(2.54)
Issue of equity shares		2,390.84	-	-	-	-	2,390.84	-	2,390.84
Allotment of Equity shares pursuant to conversion of CCD's into Equity		1,590.04	-	-	-	-	1,590.04	-	1,590.04
Share issue expenses		(172.51)	-	-	-	-	(172.51)	-	(172.51)
Amount utilised for bonus issue		-	(82.59)	-	-	-	(82.59)	-	(82.59)
Balance at March 31, 2024	**12**	**4,562.97**	**1,734.73**	**39.00**	**(4.30)**	**-**	**6,332.40**	**-**	**6,332.40**
Non-controlling interest-issue of shares		-	-	-	-	-	-	0.20	0.20
Profit for the year		-	873.18	-	-	-	873.18	(7.84)	865.34
Other comprehensive income (net of tax)		-	-	-	(0.94)	-	(0.94)	-	(0.94)
Issue of equity shares		6,989.06	-	-	-	-	6,989.06	-	6,989.06
Derivative financial instrument (refer note 43)		-	-	-	-	(225.63)	(225.63)	-	(225.63)
Share issue expenses		(159.33)	-	-	-	-	(159.33)	-	(159.33)
Balance at March 31, 2025	**12**	**11,392.70**	**2,607.91**	**39.00**	**(5.24)**	**(225.63)**	**13,808.74**	**(7.64)**	**13,801.10**

See accompanying notes forming part of the consolidated financial statements 1-47

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	1,240.26	807.86
Adjustments for :		
Depreciation expenses	294.85	205.30
Finance costs	183.89	472.65
Unrealized foreign exchange gain (net)	(15.72)	(6.24)
Provision for credit impaired trade receivable	35.76	21.39
Interest income	(52.40)	(14.02)
Profit on sale of property plant and equipment	-	(42.00)
Gain on derecognition of financial liabilities	-	175.62
Gain on sale of investment in subsidiary	-	(56.03)
Operating profit before working capital changes	**1,686.64**	**1,564.53**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(555.78)	(528.05)
Inventories	(563.38)	(469.00)
Other financial assets	(60.30)	(207.92)
Other assets	(252.18)	(337.04)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	302.44	4.53
Other financial liabilities	163.48	18.03
Provision for employee benefits	11.80	11.96
Other liabilities	(20.90)	19.68
Cash generated from operations	**711.82**	**76.72**
Income taxes paid (net of refund)	(175.15)	(146.24)
Net cash flow from / (used) in operating activities	**536.67**	**(69.52)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(2,932.52)	(753.40)
Deposits (placed)/ matured with banks (net)	(6,229.70)	25.95
Interest income received	4.26	14.02
Advance towards purchase of Investments	(19.11)	-
Proceeds from sale of property plant and equipment	-	42.02
Proceeds from sale of investment in subsidiaries	-	118.86
Net cash flow used in investing activities	**(9,177.07)**	**(552.55)**
C. Cash flow from financing activities		
Proceeds from issue of equity shares	7,000.20	2,400.00
Transaction cost on QIP issue	(116.21)	-
Proceeds from long term borrowings	1,677.81	437.39
Repayment of long term borrowings	(97.74)	(955.05)
Proceeds from/(repayment) of short term borrowings (net)	484.15	(696.96)
Principal paid on lease liabilities	(12.64)	(1.68)
Interest paid on lease liabilities	(15.13)	(1.18)
Finance costs paid	(153.57)	(472.65)
Net cash flow from financing activities	**8,766.87**	**709.87**
Net increase in cash and cash equivalents	126.47	87.80
Cash and cash equivalents at the beginning of the year	281.86	194.06
Cash and cash equivalents at the end of the year (Refer Note 9(a))	**408.33**	**281.86**

See accompanying notes forming part of the consolidated financial statements (1 - 47)

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

1 Corporate information

Azad Engineering Limited (Formerly Azad Engineering Private Limited) ('the Parent Company'/'holding Company') is one of the only Indian manufacturers of highly engineered, complex, mission and life critical high precision components. Our products include 3D rotating airfoil portions of turbine engines and other key products for combustion, hydraulics, flight-controls, propulsion and actuation which power defence and civil aircrafts, spaceships, defence missiles, nuclear power, hydrogen, gas power, oil and thermal power.

The Parent Company was incorporated in September 1983, under the Companies Act, 1956, and is having its registered office at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055. The Company was converted to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on July 14, 2023. Consequently, the name of the Company was changed to "Azad Engineering Limited".

The equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') on December 28, 2023.

The Parent Company together with its subsidiaries, hereinafter, collectively referred to as the 'Group'.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & basis for preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act'), the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

The Company has prepared the Consolidated financial statements on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

(ii) Functional and presentation currency

These consolidated Financial Statements are presented in Indian Rupees., which is also the Company's functional currency. consolidated Financial Statements presented in Indian rupees have been rounded-off to two decimal places to the nearest Millions except share data or as otherwise stated.

(iii) Basis of measurement

The consolidated Financial Statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value
- Borrowings	: Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability	: Present value of defined benefit obligations

(iv) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. 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.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Assumptions and estimation uncertainties

The Group uses critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements, for the following areas:

- Determining an asset's expected useful life and the expected residual value at the end of its life. (note 3)
- Impairment of non financial assets and financial assets; (note 8)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; (note 28)
- Measurement of defined benefit obligations: key actuarial assumptions; (note 33)
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used (note 36)

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for financial assets and financial liabilities

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 Group. 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(vi) Operating cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group has ascertained its operating cycle as twelve (12) months.

(vii) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing these consolidated financial information to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31 or up to the date till relation of parent-subsidiary existed.

Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows rotating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Notes forming part of the Consolidated Financial Statements

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Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries considered in the Consolidated financial information:

Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
			March 31, 2025	March 31, 2024
Azad Prime Private Limited @	Subsidiary	India	51%	0%
Azad VTC Private Limited @	Subsidiary	India	51%	0%
Rouland Chemicals Private Limited#	Subsidiary	India	0%	0%
Swastik Coaters Private Limited#	Subsidiary	India	0%	0%
Azad Engineering Pte Ltd*	Subsidiary	India	0%	0%

With effect from September 16, 2023, the Parent Company sold its investment in Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd. Accordingly, these entities ceased to be subsidiaries of Azad Engineering Limited due to complete sale of Investment in subsidiaries.

* During the month of 14 October 2020, the Parent Company has subscribed for investment in Azad Engineering Pte Limited - 10,000 equity share of SGD 1 each. as 100% subsidiary of the Company, domiciled in Singapore. The shares are allotted by the subsidiary for which amount is yet to be paid by the Company. The Company made an application for strike off and this application has been approved on January 08, 2024.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Group 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.

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of products:

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with

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market practice. The contracts that Group enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

ii) Sale of services:

The Group renders job work services that are provided separately. The Group recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

iii) Export benefits:

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) Interest income:

Interest income is recognised when it is probable that the economic benefits will flow to the Group 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 discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head ‘other income’ in the statement of profit and loss

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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(All amounts are ₹ in millions, unless otherwise stated)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group 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 subsequent years, 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 twelve (12) month ECL.

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Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve (12) month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve (12) months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all 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 etc.) 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.

In general, it is presumed that credit risk has significantly increased if the payment is over due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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 Group does not reduce impairment allowance from the gross carrying amount.

iv) Derecognition of financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

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

This is the category most relevant to the Group. After initial recognition, interest-bearing 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) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net

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basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

D Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment ('PPE') are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. 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 Group depreciates them separately based on their specific useful lives. 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which it is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

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 the Statement of Profit and Loss.

Based on the technical assessment of useful life, Plant and machinery is being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Act. 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. The useful lives of the assets adopted by the Group based on technical evaluation are given below:

Useful life table

Category of asset	Useful lives estimated by the management (years)	Useful lives as per Schedule II of Companies Act, 2013 (years)
Plant & machinery	15	7.5

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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. Useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of PPE under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current assets".

E Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, 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 the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the Group from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b) Finished goods and work in progress (WIP):

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs.

It is valued at lower of cost and NRV. Cost of finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) Provision for inventory

Provision of obsolescence on inventories is considered basis the management's estimate, based on demand and market of the inventories.

d) Scrap inventory

Scrap is valued at net realisable value.

e) Tools

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

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F Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Group’s corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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 if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

G Employee benefits

(a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is actuarially valued using the projected unit credit method, at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised

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in the Statement of Profit and 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.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated Absences:

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

H Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

(i) the contract involves the use of identified asset;

(ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Group has the right to direct the use of the asset.

Group as a lessee:

The Group recognizes a **right-of-use asset ("ROU")** and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable in other than functional currency which is measured at fair value through profit or loss. It is

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remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

l Taxation

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on independent tax specialist advice.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) 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 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.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

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 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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

J Provision, contingent liabilities and contingent assets

A provision is recognised 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 economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in Consolidated Financial Statements since this may result in the recognition of income that may never be realised.

However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

K Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

L Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

M Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

N Foreign currency transactions and balances

In preparing the consolidated Financial Statements of the Group, transactions in currencies other than the group's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. 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).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

O Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

P Recent accounting 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 not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Land	Factory buildings	Plant and machinery	Electrical fittings	Furniture and fixtures	Computer and data processing Units	Servers and networks	Office equipment	Vehicles	Total
Gross carrying amount (deemed cost) Balance as at April 01, 2023	82.59	118.33	2,110.66	50.15	21.78	29.31	30.46	36.78	74.18	2,554.24
Additions	-	21.01	537.63	21.20	7.11	14.37	9.45	12.73	28.77	652.27
Disposals	(69.73)	-	-	-	-	(0.08)	-	-	-	(69.81)
Balance as at March 31, 2024	**12.86**	**139.34**	**2,648.29**	**71.35**	**28.89**	**43.60**	**39.91**	**49.51**	**102.95**	**3,136.70**
Additions	259.02	318.02	1,189.13	39.01	12.18	8.29	13.72	33.60	20.08	1,893.05
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**271.88**	**457.36**	**3,837.42**	**110.36**	**41.07**	**51.89**	**53.63**	**83.11**	**123.03**	**5,029.75**
Accumulated depreciation										
Balance as at April 01, 2023	**-**	**11.13**	**289.18**	**19.18**	**6.48**	**16.78**	**9.48**	**12.00**	**23.47**	**387.70**
Depreciation	-	4.23	159.37	6.09	2.89	7.51	5.07	8.15	10.32	203.63
Disposals	-	-	-	-	-	(0.04)	-	-	-	(0.04)
Balance as at March 31, 2024	**-**	**15.36**	**448.55**	**25.27**	**9.37**	**24.25**	**14.55**	**20.15**	**33.79**	**591.29**
Depreciation	-	7.76	208.58	8.22	3.36	9.63	10.14	11.27	13.04	272.00
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**-**	**23.12**	**657.13**	**33.49**	**12.73**	**33.88**	**24.69**	**31.42**	**46.83**	**863.29**
Net carrying amount										
As at March 31, 2024	**12.86**	**123.98**	**2,199.74**	**46.08**	**19.52**	**19.35**	**25.36**	**29.36**	**69.16**	**2,545.41**
As at March 31, 2025	**271.88**	**434.24**	**3,180.29**	**76.87**	**28.34**	**18.01**	**28.95**	**51.69**	**76.20**	**4,166.46**

*The factory building includes building constructed on the leasehold premises

Note:

1. Refer note 13 & 14 for information on property, plant and equipment pledged as security by the Company.
2. Borrowing costs capitalised during the year amounted to ₹ 8.30 Mn (March 31, 2024: Nil).

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

3(b) Right- of-use assets (ROU) and lease liabilities

(i) Movement in right- of- use assets and lease liabilities is given below:

a. Right- of-use assets

Particulars	Right of use assets (Land)
As at April 01, 2023	**-**
Additions	29.00
Disposals	-
As at March 31, 2024	**29.00**
Additions	189.36
Disposals	-
As at March 31, 2025	**218.36**
Accumulated depreciation	
As at April 01, 2023	**-**
Depreciation for the year	1.67
Disposals	-
As at March 31, 2024	**1.67**
Depreciation for the year	22.84
Disposals	-
As at March 31, 2025	**24.51**
Net carrying amount as at March 31, 2024	**27.33**
Net carrying amount as at March 31, 2025	**193.85**

b. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	**22.76**	-
Additions during the year	187.71	23.26
Finance cost	15.13	1.18
Payments	(27.77)	(1.68)
Closing Balance	**197.83**	**22.76**

Break up of the closing lease liabilities	As at March 31, 2025	As at March 31, 2024
Current	22.67	2.71
Non-current	175.16	20.05

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(ii) Payments recognised as expenses during the year

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short term leases for the year (refer note-27)	13.95	11.12

(iii) Contractual maturities of lease liabilities on undiscounted basis as at:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	37.54	2.96
One to five years	141.42	13.41
More than five years	93.70	18.17

4 Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work in progress	797.80	454.34

Movement of CWIP:	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	454.34	379.86
Addition during the year	1,091.59	74.48
Capitalized during the year	(748.13)	-
Closing balance	**797.80**	**454.34**

Ageing as on March 31, 2025

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	682.47	19.63	95.70	-	797.80
Project temporarily suspended	-	-	-	-	-
Total	**682.47**	**19.63**	**95.70**	**-**	**797.80**

Ageing as on March 31, 2024

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	74.48	143.30	236.56	-	454.34
Project temporarily suspended	-	-	-	-	-
Total	**74.48**	**143.30**	**236.56**	**-**	**454.34**

Notes:

1. There are no projects as capital work in Progress as at March 31, 2025 and March 31, 2024 whose completion is overdue or cost of which exceeds in comparison to its original plan.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

2. Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.

3. A Writ Petition No. 18735 of 2024, was filed in July, 2024 by local residents before the High Court for the State of Telangana at Hyderabad ("Court") against the Company and on other government departments, in relation to the property purchased by the Company in Sy. No. 55 of the Mangampet village from the Telangana State Industrial Infrastructure Corporation Limited ("Schedule Property"). Company has filed a response on September 9, 2024, against the petition. The matter is currently pending before Hon'ble High Court. Management is confident on favourable outcome of this matter.

4. Borrowing costs capitalised during the year amounted to ₹ 6.34 Mn (March 31, 2024: 35.41).

5 Other financial assets (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Non-current		
(Unsecured considered good)		
Deposits		
Security deposits	52.12	47.41
Deposit accounts with maturity for more than 12 months (refer note below)	174.59	190.22
Interest accrued on fixed deposits with maturity for more than 12 months	18.87	9.29
Advance towards purchase of investments (Refer Note 43 and 44)	19.11	-
	264.69	**246.92**
Current		
Interest accrued on fixed deposits	30.14	-
Others	1.56	-
	31.70	**-**

Note: Out of the deposits, amount of ₹ 167.93 as at March 31, 2025 (March 31, 2024: ₹ 183.50) held as lien by banks towards the various fund facilities sanctioned.

6 Other non-current assets

	As at March 31, 2025	As at March 31, 2024
Non-current		
(Unsecured, Considered good)		
Capital advances (refer note below)	1,108.04	384.26
Prepaid expenses	55.43	62.11
Balance with statutory authorities - deposits	50.65	33.34
	1,214.12	**479.71**

Borrowing costs capitalised during the year amounted to ₹ 30.96 Mn (March 31, 2024: Nil).

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

7 Inventories

(Valued at lower of cost and net realisable value)	As at March 31, 2025	As at March 31, 2024
Raw material	626.91	529.24
Work in progress	967.53	600.70
Finished goods	42.75	19.83
Scrap inventory	104.32	80.99
Consumable stores, spares & fixtures	151.50	98.87
	1,893.01	**1,329.63**

Note: Refer Note 13 and 14 for details of inventory subject to charge on secured borrowings.

8 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Unsecured,		
-Considered good (refer note below)	2,234.80	1,699.53
-Credit impaired	72.15	36.39
	2,306.95	**1,735.92**
Allowance for credit impaired		
Less: Allowance for credit impaired	(72.15)	(36.39)
	2,234.80	**1,699.53**

Notes:

i No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

ii Trade receivables are non-interest bearing and generally on terms of 120 to 180 days

iii Trade receivables include debts from related parties (refer note 29)

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34

Movement in the allowance for credit impaired is as follows:	As at March 31, 2025	As at March 31, 2024
Opening balance	36.39	15.00
Credit loss added	35.76	21.39
Closing balance	72.15	36.39

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Ageing schedule of trade receivables outstanding as at March 31, 2025 is as follows:

Particulars	Not Due	Outstanding for following period 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 trade receivables considered good	1,144.39	982.17	115.45	35.57	18.14	11.23	2,306.95
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,144.39**	**982.17**	**115.45**	**35.57**	**18.14**	**11.23**	**2,306.95**
Less: Impairment loss on credit impaired trade receivables							72.15
Total	**1,144.39**	**982.17**	**115.45**	**35.57**	**18.14**	**11.23**	**2,234.80**

Ageing schedule of trade receivables outstanding as at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following period 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 trade receivables considered good	1,009.67	460.99	98.07	129.15	18.32	19.72	1,735.92
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,735.92**
Less: Impairment loss on credit impaired trade receivables							36.39
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,699.53**

9 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	161.02	241.50
In EEFC Accounts	234.14	26.55
Cash on hand	13.17	13.81
	408.33	**281.86**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(b) Bank balances other than Cash and cash equivalents:		
Deposit with original maturity for more than 3 months but less than 12 months [refer note (i) below]	61.94	307.32
Earmarked balances with banks [refer note (ii) below]	6,500.00	-
	6,561.94	**307.32**
	6,970.27	**589.18**

Notes:

(i) Out of the deposits, amount of ₹ 2.98 as at March 31, 2025 (March 31, 2024: ₹ 1.56) held as lien by banks towards the various fund facilities sanctioned.

(ii) Earmarked balances with banks primarily includes deposits placed with banks out of QIP proceeds (refer note 41).

10 Other current assets

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Advance to suppliers	244.37	137.13
Advances to employees	8.93	8.95
Balance with government authorities	554.83	262.54
Other deposits and advances*	5.38	13.66
Prepaid expenses	12.07	18.36
IPO Receivables	14.70	158.10
	840.28	**598.74**

*Other deposits and advances include advances to related parties (refer note 29)

11 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital		
75,000,000 (March 31, 2024: 75,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and paid up		
6,45,81,743 (March 31, 2024: 5,91,12,993) equity shares of ₹ 2 each	129.16	118.23
	129.16	**118.23**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Notes:

(i) Reconciliation of authorised share capital at the beginning and at the end of the year:

	For the year ended March 31, 2025		For the year ended March 31, 2024	
Particulars	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Outstanding at the beginning of the year	7,50,00,000	150	1,50,00,000	150.00
Changes during the year (refer note-below)	-	-	6,00,00,000	-
Outstanding at the end of the year	7,50,00,000	150	7,50,00,000	150.00

Note:

During preivous year sub-division of the Authorised Share Capital consisting of 1,50,00,000 equity shares of the Company having face value of ₹. 10 each into 7,50,00,000 equity shares of face value of ₹. 2 each w.e.f., September 12, 2023, without altering the aggregate amount of the same.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Outstanding at the beginning of the year	5,91,12,993	118.23	16,51,826	16.52
Add:				
Impact of shares split [refer note (a) below]	-	-	66,07,304	-
Issue of bonus shares [refer note (b) below]	-	-	4,12,95,650	82.59
Allotment of Equity shares pursuant to conversion of CCD's into Equity [refer note (c) below]	-	-	49,78,062	9.96
Shares issued during the year (refer note 40 and 41 below)	54,68,750	10.93	45,80,151	9.16
Outstanding at the end of the year	**6,45,81,743**	**129.16**	**5,91,12,993**	**118.23**

Shareholders vide the Extra-ordinary general meeting dated have approved the following :

During previous year

(a) Further, the issued, subscribed and paid-up share capital consisting of 16,51,826 equity shares of the Company having face value of ₹. 10 each shall stand sub-divided into 82,59,130 equity shares having face value of ₹. 2 each w.e.f., September 12, 2023 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

(b) Issue of fully paid bonus shares of ₹.2 each in proportion of 5 equity shares for every 1 existing equity share by capitalizing a sum of ₹. 82.59 from the retained earnings available with the Company.

(c) On December 11, 2023, Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, were converted into 4,978,062 Equity Shares.

(iii) Rights, preferences and restrictions attached to equity shares of ₹ 2 each, fully paid up:

The Company had only one class of equity shares having par value of ₹ 2 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 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.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(iv) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	For the year ended March 31, 2025		For the year ended March 31, 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%

(v) Shareholding of promoters

Name of promoter	For the year ended March 31, 2025		For the year ended March 31, 2024		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%	-

Name of promoter	For the year ended March 31, 2024		For the year ended March 31, 2023		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435	88.66%	2517%

12 Other equity

	As at March 31, 2025	As at March 31, 2024
Securities premium [refer note (i)]	11,392.70	4,562.97
Retained earnings [refer note (ii)]	2,607.91	1,734.73
Capital redemption reserve [refer note (iii)]	39.00	39.00
Remeasurement of defined benefit obligations (net of tax) [refer note (iv)]	(5.24)	(4.30)
Derivative instrument	(225.63)	-
Total other equity	**13,808.74**	**6,332.40**

Notes:

(i) Securities premium	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	4,562.97	754.60
Add: Allotment of equity shares on conversion of CCD's [refer note 11(ii)c]	-	1,590.04
Add: Issue of equity shares during the year [refer note 11(ii)]	6,989.06	2,390.84
Less: Share issue expenses [refer note 11(ii)]	(159.33)	(172.51)
Closing balance	**11,392.70**	**4,562.97**

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(ii) Retained earnings	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	1,734.73	1,231.52
Add: Profit for the year	873.18	585.80
Less: Amount utilised for bonus issue [refer note 11(ii)]	-	(82.59)
Closing balance	**2,607.91**	**1,734.73**

Retained earnings represents the Group's undistributed earnings after tax and can be utilised in accordance with the provisions of the Act.

(iii) Capital redemption reserve	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	39.00	39.00
Add: Transfer from retained earnings	-	-
Balance at the end of the year	39.00	**39.00**

Capital redemption reserve represents an amount equal to the nominal value of the preference shares redeemed transferred from retained earnings at the time of redemption of preference shares to the capital redemption reserve. The reserve will be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

iv) Remeasurement of defined benefit obligations (net of tax)	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	(4.30)	(1.76)
Add: Actuarial loss recognised during the year	(1.32)	(3.58)
Income-tax thereon	0.38	1.04
Closing balance	(5.24)	(4.30)

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

v) Derivative Instrument (refer note 43)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	-	-
Add: Recognition of derivative instruments	(225.63)	-
Closing balance	**(225.63)**	**-**

13 Long term borrowings (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans		
- from bank [refer note (i), (ii), (iii) and (v)]	1,672.30	117.75
- from financial institution [refer note (iv)]	236.53	213.24
Vehicle loans [refer note (v)]	38.84	36.58
Less : Current maturities of long term borrowings	(239.02)	(96.44)
Total	**1,708.65**	**271.13**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Notes:

i) Terms of long term loan from consortium banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

The Company has taken the term loan under consortium arrangement which is lead by UBI- ₹ 411.80 (March 31, 2024: Nil), IndusInd ₹ 420.04 (March 31, 2024: Nil) and ICICI Bank ₹ 394.56 (March 31, 2024: ₹ 87.20) as other members, with interest rate ranging from 6.5%-10.9% which are repayable in 3 quarterly and 13-66 monthly equal installments for IndusInd, ICICI & UBI respectively.

The primary security for the loans consists of:

a. First pari-passu charge by way of hypothecation on the Company's entire property, plant and equipment (present and future).

b. Second pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

The collateral security for the loan includes:

a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

(ii) Terms of Long-Term Loan (Equipment Finance) from HDFC Bank

The Company has taken equipment finance loan with interest rate 9.4% repayable in 72 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹ 187.04 (March 31, 2024: Nil)

(iii) Terms of Long-Term Loan (Equipment Finance) from Yes Bank

The Company has taken Equipment Finance loan with interest rate ranging from 9.25%-10.5% repayable in 24-60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹ 227.67 (March 31, 2024: ₹ 30.55)

(iv) Terms of Long-Term Loan (Equipment Finance) from TATA Capital

The Company has taken Equipment Finance loan with interest rate ranging from 11%-15.55% repayable in 48-60 monthly equal/unequal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹ 236.53 (March 31, 2024: ₹ 213.24)

(v) Terms of Long-Term Loan (Equipment Finance) from ICICI Bank

The component has taken equipment finance loan with interst rate 9.85% repayable in 20 Quarterly equal installments which is secured by Current assets, Fixed deposits and Property, Plant and Equipment. Outstanding balance of ₹ 31.19. (March 31, 2024: Nil)

The loan is secured by personal guarantee of Mr.Ravi Kumar Viswanadha.

(vi) Vehicle loans

The Company has taken vehicle loans from Yes bank ₹ 4.32 (March 31, 2024: ₹ 8.45), IDFC First bank ₹ 1.24 (March 31, 2024: ₹ 6.10), HDFC Bank ₹ 20.98 (March 31, 2024: ₹ 22.03) and Bank of Baroda ₹ 12.30 (March 31, 2024: ₹ Nil) with interest ranging from 8.06% to 11.04% which are repayable in 24-39 monthly equal installments. The said loans are secured by way of hypothecation on vehicles purchased.

The Company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the respective borrowing agreements.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

14 Short-term borrowings

	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital loans (refer below note)	488.15	4.00
Current maturities of long term borrowings (refer note 13)	239.02	96.44
	727.17	**100.44**

Details of terms and security in respect of the short-term borrowings:

1. The Company has taken working capital demand loan under consortium arrangement which is lead by UBI with an outstanding balance of ₹ 148.15 (March 31, 2024: Nil) and has IndusInd ₹ 171.49 (March 31, 2024: Nil) and ICICI Bank ₹ 147.25 (March 31, 2024: ₹ 4.00) as other members, with interest rate ranging from 6.3%-9.75% and repayable on demand.

   The primary security for the loans consists of:

   a. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

   b. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

   The collateral security for the loan includes:

   a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

   b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

2. The component has taken working capital loan from ICICI bank with interest rate of 9.75% and repayable on demand which is secured by current assets, Fixed deposits and movable fixed assets. Outstanding balance of ₹ 21.26. The loan is secured by Personal guarantee of other shareholder (Azad VTC Private Limited) and corporate guarantee given by Holding Company.

15 Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	299.81	208.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	501.27	290.92
	801.08	**499.54**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days term.

(ii) Refer note 34 for the Company's liquidity and currency risk management process

(iii) Refer note 29 for trade payables to related parties

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Trade payables ageing schedule as at March 31, 2025

Particulars	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) MSME	149.39	150.32	0.10	-	-	299.81
(ii) Others	190.06	302.65	8.07	0.44	0.05	501.27
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	339.45	**452.97**	**8.17**	**0.44**	**0.05**	**801.08**

Trade payables ageing schedule as at March 31, 2024

Particulars	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) MSME	104.15	104.47	-	-	-	208.62
(ii) Others	176.39	113.58	0.86	0.09	-	290.92
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	280.54	**218.05**	**0.86**	**0.09**	**-**	**499.54**

16 Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
i. Provision for gratuity (refer note 33)		
Non-current	45.89	36.08
Current	4.80	3.38
ii. Provision for compensated absences		
Current	1.45	0.88
	52.14	**40.34**
Non-current	45.89	36.08
Current	6.25	4.26

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

17 Deferred tax liabilities (net)*

	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment	325.81	247.56
Borrowings	4.23	0.55
Receivables credit impaired	(21.01)	(10.60)
Right-of-use assets (net of lease liability)	(0.81)	1.33
Provision for employee benefits	(14.70)	(11.58)
MAT credit entitlement	-	(16.58)
Other timing difference	(19.14)	-
	274.38	**210.68**

*refer note 36

18 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Non-current		
Redemption liability (refer note 43)	171.50	-
	171.50	**-**
Current		
Employee benefits payable	110.47	54.69
Interest accrued but not due on borrowings	3.51	1.80
Capital creditors	57.17	18.94
Other payables	145.73	39.00
IPO expense payable	44.78	137.69
QIB expense payable	136.03	-
Interest on suppliers registered under MSME Act, 2006	0.66	4.20
	498.35	**256.32**

19 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	21.44	12.95
Advance from customers	44.76	31.38
Others payables	0.78	46.70
	66.98	**91.03**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

20 Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Current tax payable	351.71	174.16
Current tax assets		
Advance tax including self assessment tax	(168.74)	(146.00)
TDS and TCS receivable	(4.33)	(0.24)
	178.64	**27.92**

21 Revenue from operations

	For the year ended March 31,2025	For the year ended March 31,2024
Revenue from contracts with customers (refer note 37)		
Sale of products	3,742.77	2,686.82
Sale of services	695.17	594.40
Other operating revenue		
- Scrap sales	99.64	105.89
- Export incentives	35.96	20.60
	4,573.54	**3,407.71**

22 Other income

	For the year ended March 31,2025	For the year ended March 31,2024
Net gain on foreign currency transactions and translations	45.59	24.27
Interest income		
- on fixed deposits	52.30	14.02
- Financial assets at amortised cost	3.22	0.58
Gain on derecognition of financial liabilities*	-	175.62
Profit on sale of property plant and equipment	-	42.00
Gain on sale of investment in subsidiary	-	56.03
Miscellaneous income	4.80	7.41
	105.91	**319.93**

*Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund were converted into equity on December 11, 2023. As per the contractual terms interest provided for in excess of the coupon rate amounting to Rs 175.62 was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.

23(a) Cost of materials Consumed

	For the year ended March 31,2025	For the year ended March 31,2024
Opening stock of raw material	529.24	252.33
Add: Purchases	1,147.53	944.54
Less: Closing stock of raw material	(626.91)	(529.24)
	1,049.86	**667.63**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(b) Changes in inventories of finished goods, work-in-progress and scrap inventory

	For the year ended March 31,2025	For the year ended March 31,2024
Inventory at the beginning of the year		
Work in progress	600.70	399.93
Finished goods	19.83	65.03
Scrap inventory	80.99	29.15
	701.52	**494.11**
Inventory at the end of the year		
Work in progress	(967.53)	(600.70)
Finished goods	(42.75)	(19.83)
Scrap inventory	(104.32)	(80.99)
	(1,114.60)	**(701.52)**
	(413.08)	**(207.41)**
Total material consumed	**636.78**	**460.22**

24 Employee benefits expense

	For the year ended March 31,2025	For the year ended March 31,2024
Salaries, wages and bonus	850.19	676.37
Contribution to provident and other funds	22.38	22.01
Gratuity expenses (refer note 33)	11.47	9.29
Staff welfare expenses	44.62	34.98
	928.66	**742.65**

25 Finance costs

	For the year ended March 31,2025	For the year ended March 31,2024
Interest on		
- Term loans	48.64	51.26
- Working capital loans	30.45	57.41
- Compulsorily Convertible Debentures	-	207.55
- Lease liabilities	15.13	1.18
- Others	15.05	10.01
Exchange differences adjusted to borrowing costs	1.99	14.27
Bank charges	6.37	4.24
Other borrowing costs	66.26	126.73
	183.89	**472.65**

* Borrowing costs capitalised during the year amounted to ₹ 45.60 Mn (March 31, 2024: ₹ 35.41 Mn).

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

26 Depreciation expenses

	For the year ended March 31,2025	For the year ended March 31,2024
Depreciation of property, plant and equipment (refer note 3(a))	272.00	203.63
Depreciation of right-of-use assets (refer note 3(b))	22.84	1.67
	294.84	**205.30**

27 Other expenses

	For the year ended March 31,2025	For the year ended March 31,2024
Stores and spares consumed	177.64	142.56
Job work charges	363.62	193.66
Tools	187.85	218.88
Repairs and maintenance :		
- Machinery	26.23	19.48
- Others	14.69	6.96
Transportation charges	98.38	60.22
Power and fuel	165.44	135.60
Inspection and testing	24.89	15.41
Sales commission	8.67	9.05
Advertisement expenses	2.20	-
Business promotion	8.54	5.16
Communication, broadband and internet expenses	3.46	3.08
Insurance	11.14	17.93
Travelling and conveyance expenses	34.99	22.64
Rent [refer note 3(b)]	13.95	11.12
Rates and taxes	29.93	37.82
Loss on foreign exchange transactions and translations other than those considered as finance cost (net)	0.02	-
Professional & consultancy fees	26.32	14.50
Printing , stationary, postage and courier	13.50	6.90
Auditors remuneration	5.82	3.90
Corporate social responsibility (CSR) expenses	8.19	4.72
Security charges	22.36	14.70
Outsourced manpower cost	85.96	57.21
Provision for credit impaired trade receivable	35.76	21.39
Miscellaneous expenses	25.47	16.07
	1,395.02	**1,038.96**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

28 Contingent liabilities and commitments

(a) Contingent liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct tax	19.67	27.23
Goods and service tax	13.20	9.51
Customs duty	75.11	75.11
Guarantees issued by Company on behalf of Subsidiary	52.45	-

Direct tax:

For AY 2022-23, a demand of ₹ 15.71 arose out of an intimation order dated July 26, 2023 passed u/s 143(1) on processing of return of income. The demand was due to credit not allowed in respect of a challan of ₹ 2.00 due to mismatch and denial of deduction claimed u/s 80JJAA amounting to ₹ 33.76. The Company has submitted a request for allowing the credit and submitted necessary application to the authority seeking relief in this matter. Based on the facts and circumstances of the case, management is of the view that application would be considered favourably by the respective authority and necessary relief would be granted.

For AY 2021-22 a demand of ₹ 3.96 was received vide an intimation order dated March 7, 2023 passed u/s 143(1) while processing the of return of income. The demand arose due to denial of deduction claimed u/s 80JJAA amounting to ₹ 7.72. However, the management has submitted necessary application to the authority seeking relief in this matter, based on the facts and circumstances of the case, necessary relief would be granted.

Goods and Services Tax Act, 2017

The Company has received an order from the Office of Commissioner Appeals, GST and Central Tax, demanding a payment of ₹ 4.22 for the period January 2022 to March 2022 vide Appeal No. 01/2023 (MD) DGST/1455 and ₹ 5.29 for the period April 2022 to July 2022 vide Appeal No. 01/2023 (MD) DGST/1455 due to an excess refund claimed. This demand is based on findings related to the improper calculation of the turnover of zero-rated supplies, irregular availment of Input Tax Credit (ITC) on capital goods, and the inclusion of ineligible credit in the Net ITC used to determine the eligible refund amount. The management believes there are valid grounds to contest this order and intends to file an appeal with the GST Tribunal. The Company is in the process of filing an appeal before the Appellate tribunal.

An order of demand has been issued by the Assistant Commissioner of Central Tax dated August 31, 2024 for the Financial Years 2019-20 and 2020-21. The demand includes the tax liability amounting to INR 3.69 along with interest and penalties. This arises from observations made by the GST department during an audit of the company's books of accounts, for alleged short payment of GST, availment of Blocked Input Tax Credit, and non-payment of GST on certain other income. The management has evaluated the matters raised in the demand order and, based on its assessment, has decided to file an appeal with the Commissioner (Appeals) for the alleged short payment of GST and non-payment of GST on other income amounting to INR 2.58. The balance amount of tax of Rs. 1.11 is discharged. The appeal has been submitted for both the years on November 27, 2024 and the same is pending for hearing.

Customs duty:

All of the customs duty notices relate to Advance authorization/ EPCG Authorization licenses granted to the company. These licenses will enable the company to import the goods by claiming upfront exemption from payment of customs duty for Raw materials and Capital equipment's respectively. However, the grant of these licenses stipulate for fulfillment of specified export obligation. While the company has largely met the stipulated export obligation, it is yet to obtain and submit export obligation discharge certificate to the customs authorities. The reason for non submission of this document is attributable to delay in fixation of norms by norms committee. The Company has received intimation from Customs towards payment of duty amounting to ₹ 75.11 (March 31, 2024 : ₹ 75.11). Thus, as soon as the input output norms are finalized the company will furnish the requisite documents to customs authorities asking for the closure of the issue.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(b) Capital commitments

Particulars	As at March 31, 2025	As at March 31, 2024
i. Unexecuted capital orders to the extent not provided for	523.34	1,897.71
ii. The Company has entered in to Purchase of Investment Commitment - Refer note- 43 & 44		

29 Related party disclosures

(a) Names of related parties and related party relationship

Name of the related party	Nature of relationship
Key managerial persons:	Rakesh Chopdar- Chairman and Chief Executing Officer
	Jyoti Chopdar- Whole Time Director
	Vishnu Pramodkumar Malpani - Whole Time Director (w.e.f September 13, 2023)
	Madhusree Vemuru-Non executive & independent director (w.e.f September 12, 2023)
	Michael Joseph Booth-Non executive & independent director (w.e.f September 12, 2023)
	Subba Rao Ambati-Non executive & independent director (w.e.f September 24, 2023)
	Deepak Kabra-Non executive & independent director (w.e.f January 3, 2025)
	Murali Krishna Bhupatiraju Managing Director (w.e.f January 3, 2025)
	Ronak Jajoo - Chief Financial Officer (w.e.f September 14, 2023)
	Ful Kumar Gautam- Company Secretary
Relatives of KMPs	Kartik Chopdar - Relatives of KMPs
	Satwik Chopdar- Relatives of KMPs
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Agen Metcast Private Limited (w.e.f June 18, 2021 till January 06, 2023)
	Swastik Coaters Pvt Ltd (w.e.f September 16, 2023)
	Rouland Chemicals Pvt Ltd (w.e.f September 16, 2023)
	Agrima Logipark

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(b) Transactions with KMP's/directors and their relatives

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
KMPs Remuneration:		
Rakesh Chopdar	48.00	43.49
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	7.42	7.20
Murali Krishna Bhupatiraju	9.99	-
Ful Kumar Gautam	2.13	1.92
Ronak Jajoo	5.28	5.29
KMPs Relatives Remuneration:		
Kartik Chopdar	4.87	3.90
Satwik Chopdar	0.48	0.52
Loan taken/(repaid) from/to related parties (Included in long term borrowings)		
Jyoti Chopdar	-	(3.75)

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for selected individuals.

(c) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2025	As at March 31, 2024
Other current financial liabilities (salaries payable)		
Rakesh Chopdar	1.50	-
Jyoti Chopdar	1.00	-
Kartik Chopdar	0.29	0.22
Satwik Chopdar	0.10	0.01
Ronak Jajoo	0.44	0.36
Vishnu Pramodkumar Malpani	0.60	0.47
Kartik Chopdar	0.04	0.10
Murali Krishna Bhupatiraju	1.09	-
Advances to employees (Included in other current assets)		
Kartik Chopdar	-	0.15
Satwik Chopdar	-	0.10

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(d) Transactions with entities over which KMPs/ directors and/or their relatives are able to exercise significant influence

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of goods or services		
Atlas Fasteners	2.24	0.91
Rental expense:		
Swastik Coaters Pvt Ltd	1.48	0.84
Rouland Chemicals Pvt Ltd	1.48	0.84
Agrima Logipark	12.20	
Financial assets at amortised cost(Included in other income)		
Agen Metcast Private Limited	-	1.19
Purchase of goods or services		
Atlas Fasteners	-	17.60
Security deposits (included in non current financial assets)		
Swastik Coaters Pvt Ltd	-	4.96
Interest Income		
Swastik Coaters Pvt Ltd	0.20	-
Rouland Chemicals Pvt Ltd	0.20	-
Job work expense		
Atlas Fasteners	1.11	2.27

(e) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at March 31, 2025	As at March 31, 2024
Other non current financial assets		
Forgen Power Parts Private Limited (Security deposits)	2.00	2.00
Other deposits & Advances (Included in other current assets)		
Agen Metcast Private Limited	-	10.49
Trade receivables		
Atlas fasteners	3.90	1.42
Advance to suppliers (Included in other current assets)		
Atlas fasteners	12.40	9.38
Security deposits (included in other non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	4.96
Rouland Chemicals Pvt Ltd	4.96	4.96
Trade payables		
Swastik Coaters Pvt Ltd	-	3.85
Rouland Chemicals Pvt Ltd	0.89	0.52
Advances for purchase of goods & services		
Swastik Coaters Pvt Ltd	0.83	-

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

30 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings		
Profit after tax for the year attributable to equity shareholders	873.18	585.80
Profit for the year considered for calculation of diluted earnings per share	873.18	585.80
Shares		
Original number of equity shares (post share split) #	5,91,12,993	82,59,130
Add : Impact of bonus issue #	-	4,12,95,650
Add : Equity shares issued during the year	54,68,750	45,80,151
Add : Allotment of Equity shares pursuant to conversion of CCD's into Equity	-	49,78,062
No of shares at the end of the year	**6,45,81,743**	**5,91,12,993**
Weighted average number of equity shares		
For calculating Basic EPS	5,95,47,496	5,22,99,486
Effect of dilution:		
Weighted average number of equity shares for Diluted EPS	5,95,47,496	5,22,99,486
Earnings Per Share		
Face Value ₹ 2 per share		
Basic (₹)	14.66	11.20
Diluted* (₹)	14.66	11.20

Shareholders have approved the below at Extra-ordinary general meeting held on 12 September 2023:

a. Share split of one equity share having face value of ₹ 10 each into 5 shares of ₹ 2 each and

b. Issue of fully paid bonus shares of ₹ 2 each in proportion of five equity shares for every one existing equity share.

31 Segment reporting

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and OEM components, have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. The information relating to revenue from external customers and location of segment assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and segment assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

a. Geographical segment information:

Revenue from customers	For the year ended March 31, 2025	For the year ended March 31, 2024
With in India	388.12	425.89
Outside India	4,185.42	2981.82
Total	**4,573.54**	**3,407.71**

b. The company has total segment assets within India. Hence, separate figures have not been furnished

c. Revenue from major customers ((from external customer)

During the year the Company has derived revenue from 11 customers (March 31, 2024: 3) which amounts to 10% or more of its total revenue.

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The amounts remaining unpaid to micro and small supplies as at end of the year		
i) Principal amount remaining unpaid to supplier at the end of the year	299.81	208.62
ii) Interest due thereon remaining unpaid to supplier at the end of the year	0.66	4.21
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	3.55	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	0.66	4.21

33. Employee benefits

a) Defined contribution plan

Provident Fund: Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined benefit plan

Gratuity: The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

c) Amounts recognised as expense:

i) Defined contribution plan

Provident fund

Contribution towards employee provident fund, which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 18.43 (March 31, 2024 : ₹ 16.87). (refer note 24)

Employees' State Insurance & Labour welfare fund

Contribution towards Employees' State Insurance & Labour welfare fund, which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 3.95 (March 31, 2024 : ₹ 5.14). (refer note 24)

ii) Defined benefit plan

Contribution towards Gratuity for the year March 31, 2025 aggregated to ₹ 11.47 (March 31, 2024: ₹ 9.29). The Company's gratuity plan is unfunded. (refer note 24)

d) Amounts recognised in the consolidated financial statements as at year end for Gratuity are as under:

	Particulars	As at March 31, 2025	As at March 31, 2024
i)	**Change in present value of obligation**		
	Present value of the obligation at the beginning of the year	39.46	28.10
	Current service cost	8.84	7.35
	Interest cost	2.63	1.93
	Actuarial (gain)/loss on obligation- due to change in financial assumptions	1.36	0.81
	Actuarial (gain)/loss on obligation- due to experience adjustments	(0.04)	2.78
	Benefits paid	(1.56)	(1.51)
	Present value of the obligation at the end of the year	**50.69**	**39.46**
ii)	**Bifurcation of present value of benefit obligation (refer note 16)**		
	Current- Amount due within one year	4.80	3.38
	Non-current- Amount due after one year	45.89	36.08
	Total	**50.69**	**39.46**
iii)	**Expected benefit payments in future years**		
	Year 1	4.80	3.38
	Year 2	3.95	2.82
	Year 3	3.44	3.20
	Year 4	4.19	2.77
	Year 5	3.99	3.30
	Year 6 to Year 10	19.92	15.88
iv)	**Sensitivity analysis**		
	Discount rate - 1 % increase	46.53	36.12
	- 1 % decrease	55.55	43.36

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
	Salary escalation rate - 1 % increase	55.40	43.23
	- 1 % decrease	46.58	36.19
	Withdrawal rate - 1 % increase	-	-
	- 1 % decrease	-	-
v)	**Amounts Recognised in the Balance sheet:**		
	Present value of Obligation at the end of the year	50.69	28.10
	Fair value of Plan Assets at the end of the year	-	-
	Net Liability recognised in the Balance Sheet	**50.69**	**28.10**
vi)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current service cost	8.83	7.35
	Net interest on net defined liability / (asset)	2.64	1.94
	Expenses recognised in Statement of Profit and Loss	**11.47**	**9.29**
vii)	**Recognised in other comprehensive income for the year**		
	Actuarial Gains / (Losses) on Liability	(1.32)	(3.58)
	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above	-	-
	Recognised in other comprehensive income	**(1.32)**	**(3.58)**
viii)	**Actuarial assumptions**		
	i) Discount rate	6.66%	7.00%
	ii) Salary escalation rate	3.00%	3.50%
	iii) Retirement age	58 years	58 years
	iv) Attrition rate	5.00%	5.00%
	v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

34 Financial instruments

A. Financial instruments by category	Method of valuation	Note	As at March 31, 2025	As at March 31, 2024
Financial assets				
Non current				
(i) Other financial assets	Amortized Cost	5	264.69	246.92
Current				
(i) Trade receivables	Amortized Cost	8	2,234.80	1,699.53
(ii) Cash and cash equivalents	Amortized Cost	9 (a)	408.33	281.86
(iii) Bank balances other than (ii) above	Amortized Cost	9 (b)	6,561.94	307.32
(iv) Other financial assets	Amortized Cost	5	31.70	-
Total financial assets			**9,501.46**	**2,535.63**
Financial liabilities				
Non current				
(i) Borrowings	Amortised cost	13	1,708.65	271.13
(ia) Lease liabilities	Amortised cost	3(b)	175.16	20.05
Current				
(i) Borrowings	Amortised cost	14	727.17	100.44
(ia) Lease liabilities	Amortised cost	3(b)	22.67	2.71
(ii) Trade payables	Amortised cost	15	801.08	499.54
(iii) Other financial liabilities	Amortised cost	18	498.35	256.32
Total financial liabilities			**3,933.08**	**1,150.19**

The management assessed that fair value of cash and short-term deposits, 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.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits and bank deposits.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Company risk management is carried out by the senior management under policies approved by the board of directors. The board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse 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 and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

ii. Trade receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from top customer	648.81	554.38
Revenue from top 5 customers	2,352.65	1,536.28

One customer accounts for more than 10% of the revenue for the year ended March 31, 2025 (March 31, 2024: one customer).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for group of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Movement in the allowance for credit impaired is as follows:	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	36.39	15.00
Credit loss added	35.76	21.39
Closing balance	72.15	36.39

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at March 31, 2025

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	1,708.65	-	1,658.46	50.20	1,708.65
Lease liabilities	197.83	37.54	141.42	93.70	272.66
Short-term borrowings	727.17	727.17	-	-	727.17
Trade payables	801.08	801.08	-	-	801.08
Other financial liabilities	498.35	498.35	-	-	498.35
Total	**3,933.08**	**2,064.14**	**1,799.88**	**143.90**	**4,007.91**

As at March 31, 2024

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	271.13	-	271.13	-	271.13
Lease liabilities	22.76	2.96	13.41	18.17	34.54
Short-term borrowings	100.44	100.44	-	-	100.44
Trade payables	499.54	499.54	-	-	499.54
Other financial liabilities	256.32	256.32	-	-	256.32
Total	**1,150.19**	**859.26**	**284.54**	**18.17**	**1,161.97**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. 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 borrowings and derivative financial instruments.

(i) Interest rate risk

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	1,398.02	307.33
Fixed rate borrowings	1,037.80	64.24

Interest rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sensitivity		
1% increase in variable rate	(13.98)	(3.07)
1% decrease in variable rate	13.98	3.07

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 different currency from the Company's functional currency).

The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of 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.

Particulars	Amount in USD	Equivalent amount in INR for USD	Amount in EURO	Equivalent amount in INR for EURO	Amount in Other currencies	Equivalent amount in INR
March 31, 2025						
Trade receivable	20.52	1,754.24	5.12	471.27	-	-
Trade payable	0.98	84.07	0.09	8.30	9.73	8.50
Borrowings	-	-	8.93	821.99	-	-
Advance from customers	0.09	6.11	0.11	9.44	-	-
March 31, 2024						
Trade receivable	3.72	323.47	12.64	1,051.79	-	-
Trade payable	0.34	28.22	0.10	8.75	0.01	1.12
Advance from customers	0.66	54.74	0.09	8.51	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of 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. The effect of a 5% strengthening or weakening of the respective currencies on the profit and loss account is demonstrated in the following table.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2025					
	USD	83.81	(83.81)	59.41	(59.41)
	EURO	(17.48)	17.48	(12.39)	12.39
	JPY	(0.43)	0.43	(0.30)	0.30
March 31, 2024					
	USD	17.50	(17.50)	13.10	(13.10)
	EURO	52.58	(52.58)	39.34	(39.34)
	JPY	(0.06)	0.06	(0.04)	0.04

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

35 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

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. 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. Total debt comprises of non-current borrowing which represents liability component of Compulsory Convertible Debentures and current borrowing from banks and financial institutions. 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.

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at March 31, 2025	As at March 31, 2024
Total debt (refer note 13 and 14)	2,435.82	371.57
Less : cash and cash equivalents and bank balances (refer note 9)	6,970.27	589.18
Adjusted net debt	(4,534.45)	**(217.61)**
Total equity	**13,930.26**	**6,450.63**
Gearing ratio	**(0.48)**	**(0.03)**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year March 31, 2025 and March 31, 2024.

36 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2025	For the year ended March 31, 2024
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current tax**		
	Current year	307.73	146.21
	Tax pertaining to earlier years	19.69	-
	Total (A)	**327.42**	**146.21**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	47.50	75.85
	Total (B)	**47.50**	**75.85**
	Total (A+B)	**374.92**	**222.06**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	(0.38)	(1.04)
		(0.38)	**(1.04)**

Current tax (assets) / liabilities (net)

		As at March 31, 2025	As at March 31, 2024
D.	Advance tax Including TDS receivable and self assessment tax	(173.07)	(146.24)
E.	Provision for tax	351.71	174.16
		178.64	**27.92**

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income taxes	1,240.26	807.86
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	361.00	235.00
Tax effect of expenditure disallowed under income tax	7.04	5.67
Effect on account of different tax rate for calculating capital Gain	-	(17.53)
Tax effect of earlier years set	19.69	-
Others	(12.81)	(1.08)
Total income tax expense	**374.92**	**222.06**

Movement during the year ended March 31, 2025	As at April 01, 2024	MAT Credit Utilisation	Credit/(charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2025
Deferred tax assets/(liabilities)					
On property, plant and equipment	247.56	-	78.25	-	325.81
On provision for employee benefits	(11.58)	-	(2.74)	(0.38)	(14.70)
Provision for Credit impaired	(10.60)	-	(10.41)	-	(21.01)
Borrowings	0.55	-	3.68	-	4.23
Right of use assets (net of lease liability)	1.33	-	(2.14)	-	(0.81)
MAT Credit Entitlement	(16.58)	16.58	-	-	-
Other timing difference	-	-	(19.14)		(19.14)
Total	**210.68**	**16.58**	**47.50**	**(0.38)**	**274.38**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Movement during the year ended March 31, 2024	As at April 01, 2023	(Credit)/charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2024
Deferred tax (assets)/liabilities				
On property, plant and equipment	203.25	44.31	-	247.56
On provision for employee benefits	(9.00)	(1.54)	(1.04)	(11.58)
Provision for Credit impaired	(4.37)	(6.23)	-	(10.60)
Borrowings	(11.22)	11.77	-	0.55
Right of use assets (net of lease liability)	-	1.33	-	1.33
MAT Credit Entitlement	(25.74)	9.16	-	(16.58)
Unabsorbed depreciation and business losses*	(16.71)	16.71	-	-
Provision for others	(0.34)	0.34	-	-
Total	**135.87**	**75.85**	**(1.04)**	**210.68**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

37 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from sale of products	3,742.77	2,686.82
Income from sale of services	695.17	594.40
Income from - scrap sales	99.64	105.89
Export incentives	35.96	20.60
	4,573.54	**3,407.71**

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Disaggregated revenue information

Geographic revenue

Revenue from contract with customers

With in India	407.38	425.89
Outside India	4,166.16	2,981.82
	4,573.54	**3407.71**
Timing of revenue recognition		
Services transferred at a point of time	731.13	615.00
Goods transferred at a point of time	3,842.41	2,792.71
Total revenue from contracts with customers	**4,573.54**	**3,407.71**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	4,573.54	3,407.71
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**4,573.54**	**3,407.71**

Contract balances

	As at March 31, 2025	As at March 31, 2024
Trade receivables (Refer Note 8)	2,234.80	1,699.53
Contract assets	-	-
Contract liabilities	-	-

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of Job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

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

39 Subsequent events

No Significant Subsequent events have been observed which may require an adjustment / disclosure to the financial statements

40 Utilisation of funds raised through initial public offer (IPO)

The Company has completed an Initial Public Offer ("IPO") of 14,122,108 Equity Shares at the face value of Rs 2/- each at an issue price of Rs 524/- per Equity share, comprising a fresh issue of 4,580,151 shares.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Rs. 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses Rs 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of Rs. 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

Object of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up March 31, 2025	Unutilised amount up to March 31, 2025*
Towards funding of capital expenditure	603.95	450.39	153.56
Repayment/prepayment, in part or full, of certain of the borrowings availed by the Company	1,381.88	1,357.10	24.78
General corporate purposes*	241.66	420.00	(178.34)
Total	**2,227.49**	**2,227.49**	**-**

* The Company has utilised Rs. 420.00 Mn towards General Corporate Purpose as against the estimated amount of Rs. 241.66 Mn stated in the prospectus. The excess utilisation of Rs.178.34 Mn is from the proceeds estimated for the capital expenditure and Repayment of borrowings availed by the Company. However, these amounts are within the limits of 25% of gross proceeds of fresh issue as set out in the prospectus as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and above revisions are considered at the board meeting of the Company.

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During the quarter ended March 31, 2025, pursuant to Qualified Institutions Placement ('QIP') the Company issued and allotted 5,468,750 equity shares of face value of ₹ 2 each, to eligible Qualified Institutional Buyers ('QIBs') at the issue price of Rs. 1280 (including a premium of Rs. 1278 per equity share) aggregating to ₹ 7,000.00 million. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

As per placement document dated March 3, 2025, the net proceeds from the Issue ₹ 6812.10 Mn, is after deducting fees, commissions and expenses of the Issue ₹ 187.90 Mn. Issue Expenses (excluding GST) - Rs. 159.33 Mn was adjusted against the securities premium.

Out of Net QIP Proceeds, ₹ 436.72 million was utilised towards Funding and part-funding the capital expenditure of our Company, general corporate purpose and the balance unutilised ₹ 6,375.38 million as at March 31, 2025, where temporarily invested as deposits with scheduled commercial banks and balance lying in monitoring account.

42 Statutory disclosures

(a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

(c) The Group has not revalued its property, plant and equipment during the financial year 2024-25

(d) The Group have not traded or invested in Crypto currency or Virtual currency during the financial year.

(e) The Group have 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: (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.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(f) The Group have 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 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) The Group 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, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Group does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

(k) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

(l) The Group has neither declared nor paid any dividend during the reporting period

(m) The stock statements filed by the Company with the banks are in agreement with the books of accounts of the Company.

(n) The Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, 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 to the extent it was enabled and recorded in previous year.

In respect of the subsidiaries:

The Companies have used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility, except that the audit trail (edit log) feature was not enabled in the accounting software throughout the year. Accordingly, we are unable to assess whether the same has operated throughout the year for all relevant transaction recorded in the software or whether there is any instance of audit trail feature being tampered.

(o) During the year, the Holding Company has approved Azad ESOP Scheme - 2024 at the members general meeting dated January 28, 2025. As of reporting date, no options are granted to employees.

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The Holding Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad Prime Private Limited (‘Azad Prime’), incorporated in April 2024. As per terms of Shareholders Agreement ["SHA"] dated July 25, 2024 entered between the Holding Company & Leo Primecomp Private Limited (‘Leo Prime’), during the quarter ended September 30, 2024, Azad Prime has issued additional equity shares to Leo Prime, consequently, the revised shareholding stands at 51% by Holding Company and 49% by Leo Prime. Further as per terms of SHA, the Holding Company has Call Option [right to buy] and Leo Prime has Put Option [right to Sell] – to the equity shares owned by Leo Prime upon occurrence of events agreed in SHA. Price payable to the Call Option / Put Option, by the Transferor for the purchase/sale of the securities pursuant to exercise of the qualified Call Option / Put Option on account of events mentioned in SHA - shall be the higher of: (i) Fair Market Value of the securities held by such Call / Put Option Transferor as on the date of such purchase/sale, or (ii) an amount of INR 225.63 Mn. During quarter ended December 31, 2024, the Holding Company has paid an advance of ₹ 54.13 Mn to purchase the balance 49% of Shares held by Leo Prime on occurrence of the events as mentioned in SHA. The said advance is non-refundable and such amount shall be deducted from any amount payable to the Leo Prime pursuant to exercise of Call/Put Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

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The Holding Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad VTC Private Limited. As per terms of Shareholders Agreement ["SHA"] dated May 9, 2024 entered between the Holding Company and other shareholder, during the quarter ended September 30, 2024, Azad VTC has issued additional equity shares to other shareholder, consequently, the revised shareholding stands at 51% by Holding Company and 49% by other shareholder. Further, as per terms of SHA, the Holding Company has an Call Option [right to buy] to purchase the shares held by other shareholder. The Holding Company paid an advance of ₹ 23.3 Mn to other shareholder to acquire the remaining 49% of shares in the future. This amount is refundable and can be deducted from amount payable to the other share holder on exercise of Call Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

45 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013.

As at March 31, 2025

Name of the Entity	Net Assets		Share in profit or (loss)		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Azad Engineering Limited	98.71%	13,751.39	101.85%	881.34	100.00%	(0.94)	101.85%	880.40
Subsidiaries								
Indian								
Azad Prime Private Limited	1.10%	153.92	-0.84%	(7.27)	0.00%	-	-0.84%	(7.27)
Azad VTC Private Limited	0.18%	25.37	-1.01%	(8.73)	0.00%	-	-1.01%	(8.73)
Total	**100.00%**	**13,930.68**	**100.00%**	**865.34**	**100.00%**	**(0.94)**	**100.00%**	**864.40**

As at March 31, 2024

Name of the Entity	Net Assets		Share in profit or (loss)		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Azad Engineering Limited	100.00%	6,450.63	100.00%	585.80	100.00%	(2.54)	100.00%	583.26
Subsidiaries								
Indian								
Rouland Chemicals Private Limited*	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Swastik Coaters Private Limited*	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Azad Engineering Pte Ltd #	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**6,450.63**	**100.00%**	**585.80**	**100.00%**	**(2.54)**	**100.00%**	**583.26**

* With effect from September 16, 2023, the Company sold its investment in Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd.

Notes forming part of the Consolidated Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

Accordingly, these entities ceased to be subsidiaries of Azad Engineering Limited due to complete sale of Investment in subsidiaries.

#During the month of 14 October 2020, the Company has subscribed for investment in Azad Engineering Pte Limited - 10,000 equity share of SGD 1 each. as 100% subsidiary of the Company, domiciled in Singapore. The shares are allotted by the subsidiary for which amount is yet to be paid by the Company. The Company made an application for strike off and this application has been approved on January 08, 2024.

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Note on Social Security Code: The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

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The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 23, 2025.

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 23, 2025

Place: Hyderabad
Date: May 23, 2025

CIN: L74210TG1983PLC004132
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