

INDEPENDENT AUDITOR'S REPORT

To the Members of Azad VTC Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Azad VTC 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 period March 29, 2024 to March 31, 2025 then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

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

The Director's report has not been made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting



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Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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 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.



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(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(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 does not have any pending litigations which would impact its financial position.
- 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, that has not been enabled in the accounting software throughout the year as explained in Note 36 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.



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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: 25205226BMKTQX1501



Place: Hyderabad
Date: May 23, 2025

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF AZAD VTC PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQX1501

Place: Hyderabad
Date: May 23, 2025



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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AZAD VTC 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 have been physically verified by the management at during the year and no material discrepancies were identified on such verification.
(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.
(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) 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 has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. 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.
(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores during any point of time of the year from Banks or financial institutions, on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.



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- vi. The provisions of sub-Section (1) of Section 148 of the Act, are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- 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 generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.
(b) According to the information and explanation given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, 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 12 to the 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 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) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.
(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no 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.



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- (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the 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, the provisions of section 177 of the Act are not applicable to the Company. Further, the transactions with the related parties are in compliance with Section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system comprising group internal audit department 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 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 financial statements, the Company has incurred cash losses during the period March 29, 2024 to March 31, 2025 amounting to Rs.1.71 Mn in the current financial year since it is the first year of incorporation reporting for previous year not applicable.
- 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.

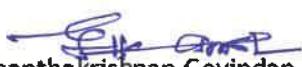


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- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 37 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Act, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) 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 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: 25205226BMKTQX1501

Place: Hyderabad
Date: May 23, 2025



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ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AZAD VTC 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 VTC 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 financial statements of Azad VTC Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's 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 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 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTQX1501



Place: Hyderabad
Date: May 23, 2025

Azad VTC Private Limited

(CIN: U25920TS2024PTC183898)

Balance Sheet as at March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	As at March 31, 2025
ASSETS		
Non-current assets		
Property, plant and equipment	3(a)	32.11
Right-of-use assets	3(b)	7.83
Financial assets		
Other financial assets	4	0.01
Other non-current assets	5	22.47
Total non-current assets		62.42
Current assets		
Inventories	6	8.18
Financial assets		
(i) Trade receivables	7	12.51
(ii) Cash and cash equivalents	8(a)	0.68
(iii) Bank balances other than (ii) above	8(b)	6.50
(iv) Other financial assets	4	0.10
Other current assets	9	6.96
Total current assets		34.93
Total assets		97.35
EQUITY AND LIABILITIES		
Equity		
Equity share capital	10	0.20
Other equity	11	(4.70)
Total equity		(4.50)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	12	56.73
(ii) Lease liabilities	3(b)	6.79
Total non-current liabilities		63.52
Current liabilities		
Financial liabilities		
(i) Borrowings	13	22.82
(ii) Lease liabilities	3(b)	1.51
(iii) Trade payables	14	
- total outstanding dues of micro and small enterprises		
- total outstanding dues of creditors other than micro and small enterprises		7.85
(iv) Other financial liabilities	15	5.51
Other current liabilities	16	0.64
Total current liabilities		38.33
Total liabilities		101.85
Total equity and liabilities		97.35

See accompanying notes forming part of the financial statements

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As per our report even date attached

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 VTC Private Limited



Rakesh Chopdar
Director
DIN: 01795599

Place: Hyderabad
Date: May 23, 2025



Ravikumar Viswanadha
Director
DIN: 01730393



Azad VTC Private Limited
(CIN: U25920TS2024PTC183898)

Statement of Profit and Loss for the period from March 29, 2024 to March 31, 2025

(All amounts are ₹ in millions, unless otherwise stated)

Particulars	Note	For the period from March 29, 2024 to March 31, 2025
i. Income		
Revenue from operations	17	34.50
Other income	18	0.10
Total income (i)		34.60
ii. Expenses		
Cost of materials consumed	19(a)	15.56
Changes in inventories of work-in-progress	19(b)	(6.02)
Employee benefits expense	20	11.79
Finance costs	21	3.81
Depreciation expenses	22	2.41
Other expenses	23	11.75
Total expenses (ii)		39.30
iii Loss before tax (i)-(ii)		(4.70)
iv. Tax expenses		
Current tax		-
Deferred tax		-
Total tax expense (iv)		-
v. Loss after tax (iii)-(iv)		(4.70)
vi. Other comprehensive income		
Items that will not be reclassified subsequently to profit and loss		
Re-measurement gains/ (losses) on defined benefit plans		-
Tax relating to items that will not be reclassified to profit and loss account		-
Total other comprehensive (loss) / income for the year, net of tax (vi)		-
vii. Total comprehensive income for the year (v + vi)		(4.70)
viii. Earnings per share (Face value of share ₹ 10 each)		
- Basic	24	(239.70)
- Diluted	24	(239.70)

See accompanying notes forming part of the financial statements

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As per our report even date attached

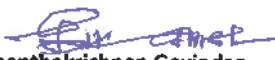
For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of

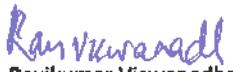
Azad VTC Private Limited


Ananthakrishnan Govindan

Partner

Membership No: 205226


Rakesh Chopdar
Director
DIN: 01795599


Ravikumar Viswanadha
Director
DIN: 01730393

Place: Hyderabad
Date: May 23, 2025

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A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at March 29, 2024		-	-
Changes in equity share capital during the period	10	19,608	0.20
As at March 31, 2025		19,608	0.20

B. Other equity

Particulars	Note	Reserves and surplus	Other comprehensive income	Total
		Retained earnings	Remeasurement of defined benefit obligations	
Balance as at March 29, 2024	11	-	-	-
Loss for the period		(4.70)	-	(4.70)
Other comprehensive income		-	-	-
Balance as at March 31, 2025	11	(4.70)	-	(4.70)

See accompanying notes forming part of the financial statements

1-38

As per our report even date attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad VTC Private Limited


Ananthakrishnan Govindan
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Particulars	For the period from March 29, 2024 to March 31, 2025	
A. Cash flow from operating activities		
Profit before tax		(4.70)
Adjustments for :		
Depreciation expenses		2.41
Finance costs		3.81
Interest income		(0.10)
Operating profit before working capital changes		1.42
Changes in working capital		
<i>Adjustments for (increase) in operating assets:</i>		
Trade receivables		(12.51)
Inventories		(8.18)
Other financial assets		(0.01)
Other assets		(6.96)
<i>Adjustments for increase in operating liabilities:</i>		
Trade payables		7.85
Other financial liabilities		3.86
Other liabilities		0.64
Cash used in operations		(13.89)
Income taxes paid (net of refund)		-
Net cash flow used in operating activities	A	(13.89)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)		(55.61)
Deposits (placed)/matured with banks- (net)		(6.50)
Interest income received		-
Net cash flow used in investing activities	B	(62.11)
C. Cash flow from financing activities		
Proceeds from issue of equity shares		0.20
Proceeds from long term borrowings		58.29
Repayment of long term borrowings		-
Principal paid on lease liabilities		(0.33)
Interest paid on lease liabilities		(0.58)
Proceeds from short term borrowings		21.26
Finance cost paid		(2.16)
Net cash flow from financing activities	C	76.68
Net increase in cash and cash equivalents	A+B+C	0.68
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period (refer note 8(a))		0.68

See accompanying notes forming part of the financial statements

1-38

As per our report even date attached

For M S K A & Associates

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Azad VTC Private Limited


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Azad VTC Private Limited

(CIN: U25920TS2024PTC183898)

Notes forming part of the Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

1 Corporate information

Azad VTC Private Limited, is a private limited company incorporated under the Companies Act, 2013 on March 29, 2024. The objective of the Company is to carry on the business of advanced wear, corrosion, and heat resistance coatings, metal surface coatings. These coatings are a critical application on the components which operate in extremely severe conditions for power generation, aerospace, defense and Oil & Gas.

The registered office of the Company is located at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055. The Company is a Subsidiary of Azad Engineering Limited.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

These 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 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.

The financial statements comprises Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss and Statement of Cash Flows for the period beginning from March 29, 2024 to March 31, 2025.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees ₹, which is also the Company's functional currency. 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 financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities	: Measured at fair value
- Net defined benefit (asset)/ liability	: Present value of defined benefit obligations

(iv) Use of estimates and judgements

The preparation of the 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.

Assumptions and estimation uncertainties

The Company uses critical accounting judgements, estimates and assumptions in preparation of its 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;



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Notes forming part of the Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

(v) Measurement of fair values

Accounting policies 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.

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.



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Notes forming part of the Financial Statements

(All amounts are ₹ in millions, unless otherwise stated)

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 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 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.



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Notes forming part of the Financial Statements

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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.

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.



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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.

D Property, plant and equipment

i) Recognition and measurement

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.

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)
Plant and machinery	15	7.5
Furniture & fixtures	10	10
Office equipment	5	5
Computers	3	3



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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.

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 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.

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) 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 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.

F Impairment of non-financial assets

The Company's non-financial assets, other than inventories, 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.

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.



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(b) Other long-term employee benefit obligations

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.

H 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.



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I 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.

J 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 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.



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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 Company 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.

N Foreign currency transactions and balances

In preparing the 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.

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.

O 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.

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 period ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



3(a) Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Computers	Office equipment	Total
Gross carrying amount					
As at March 29, 2024	31.81	0.28	0.13	0.92	33.14
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2024	31.81	0.28	0.13	0.92	33.14
Accumulated depreciation					
As at March 29, 2024	(0.91)	-	(0.02)	(0.10)	(1.03)
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2024	(0.91)	-	(0.02)	(0.10)	(1.03)
Net carrying amount					
As at March 29, 2024	-	-	-	-	-
As at March 31, 2025	30.90	0.28	0.11	0.82	32.11

Property, plant and equipment pledged as security

Refer note no 12 and 13 for information on property, plant and equipment pledged as security by the Company.



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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	Amount
Cost	
As at March 29, 2024	-
Additions	9.21
Disposals	-
As at March 31, 2025	9.21
Accumulated depreciation	
As at March 29, 2024	-
Depreciation for the period	1.38
Disposals	-
As at March 31, 2025	1.38
Net carrying amount as at March 29, 2024	-
Net carrying amount as at March 31, 2025	7.83

b. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Amount
As at March 29, 2024	-
Additions during the period	9.21
Finance cost	0.58
Payments	(1.49)
As at 31 March 2025	8.30

Break up of the closing lease liabilities

Current	1.51
Non-current	6.79

(ii) Contractual maturities of lease liabilities on undiscounted basis as at:

Particulars	Amount
Less than one year	2.18
One to five years	8.03
More than five years	-



4 Other financial assets (at amortised cost)

Particulars	As at March 31, 2025
Non-current	
(Unsecured considered good)	
Deposits	
Security deposits	0.01
	0.01
Current	
Interest Accrued but not due on Fixed Deposit	0.10
	0.10

5 Other non-current assets

Particulars	As at March 31, 2025
Non-current	
(Unsecured, Considered good)	
Capital advances	22.47
	22.47

6 Inventories*

Particulars	As at March 31, 2025
Raw material	2.16
Work in progress	6.02
	8.18

* Valued at lower of cost or net realisable value

Refer note no 12 and 13 for details of inventory subject to charge on secured borrowings.

7 Trade receivables

Particulars	As at March 31, 2025
Unsecured, -Considered good (refer note below)	12.51
	12.51

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 30-60 days

iii Trade receivables include debts from related parties (refer note 26)

iv The company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 29

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					Total
		Less than 6 months	6 months + 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	-	12.51	-	-	-	-	12.51
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	-	12.51	-	-	-	-	12.51

8 Cash and bank equivalents

Particulars	As at March 31, 2025
(a) Cash and cash equivalents	
Balances with banks	
- in current accounts	0.68
Cash on Hand	-
	0.68
(b) Bank balances other than cash and bank equivalents	
- deposits with maturity for more than 3 months but less than 12 months (refer note below)	6.50
	6.50
	7.18

Refer note no 12 and 13 for information on deposits pledged as security by the company.



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9 Other current assets		As at March 31, 2025
Particulars		As at March 31, 2025
Unsecured, considered good		
Advance to suppliers		1.60
Balance with government authorities		5.30
Prepaid expenses		0.06
		6.96
10 Equity share capital		As at March 31, 2025
Authorised share capital		
1,00,000 equity shares of ₹ 10 each as at March 31, 2025		1.00
Issued, subscribed and paid up		
19,608 equity shares of ₹ 10 each as at March 31, 2025		0.20
		0.20
Notes:		
i) Reconciliation of authorised share capital at the beginning and at the end of the year		
Particulars	For the period from March 29, 2024 to March 31, 2025	
	No. of Shares	Amount
Outstanding at the beginning of the period		-
Changes during the period	1,00,000	1.00
Outstanding at the end of the period	1,00,000	1.00
ii) Reconciliation of equity shares outstanding at the beginning and at the end of the period:		
Particulars	For the period from March 29, 2024 to March 31, 2025	
	No. of Shares	Amount
Outstanding at the beginning of the period	-	-
Add:		
Shares Issued during the period (Refer note below)	19,608	0.20
Outstanding at the end of the period	19,608	0.20
iii) Rights, preferences and restrictions attached to equity shares of ₹ 10 each, fully paid up:		
The Company had only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of 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	
	No. of Shares	% Holding
Azad Engineering Limited	9,998	50.99%
Ravikumar Viswanadha	9,608	49.00%
v) Shareholding of promoters		
Name of promoter	As at March 31, 2025	
	No. of Shares	% Holding
Rakesh Chopdar	1	0.01%
Jyoti Chopdar	1	0.01%



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11 Other equity

Particulars	As at March 31, 2025
Retained earnings (refer note (i))	(4.70) <u>(4.70)</u>

(i) Retained earnings

Particulars	For the period from March 29, 2024 to March 31, 2025
Opening balance	-
Add: Net Loss for the period from March 29, 2024 to March 31, 2025	(4.70)
Closing balance	<u>(4.70)</u>

Retained earnings represents the company's undistributed earnings after tax and can be utilised in accordance with the provisions of the Act.

12 Long term borrowings (at amortised cost)

Particulars	As at March 31, 2025
Secured	
Term loans	
- from bank (refer note (i))	31.19
Unsecured	
Loan from related parties (refer note (ii))	27.10
Less : Current maturities of long term borrowings	(1.56)
Total	56.73

Notes:

i. Terms of Long-Term Loan (Equipment Finance) from ICICI Bank

The Company has taken Equipment Finance loan with interest 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.

The loan is secured by Personal guarantee of Mr.Ravi Kumar Viswanadha and corporate guarantee of Azad Engineering Limited

ii. Inter corporate loan taken from Azad Engineering Limited (holding Company) which is 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.

Outstanding balance of ₹ 27.10 .

13 Short-term borrowings

Particulars	As at March 31, 2025
Secured	
Working capital loans (refer below note)	21.26
Current maturities of long term borrowings (refer note 12)	1.56
	22.82

Details of terms and security in respect of the short-term borrowings:

The company 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 Mr.Ravi Kumar Viswanadha and corporate guarantee of Azad Engineering Limited.



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14 Trade payables

Particulars	As at March 31, 2025
Trade payables	
- Total outstanding dues of micro enterprises and small enterprises (refer note 27)	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7.85
	7.85

Notes:

- i Trade payables are non-interest bearing and are normally settled in 30-90 days term.
- ii Refer note 29 for the company's liquidity and currency risk management process

Trade payables ageing schedule as at March 31, 2025

Particulars	Payables Not Due	Outstanding for following periods from due date of payment					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	7.85	-	-	-	-	7.85
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-	-
	-	7.85	-	-	-	-	7.85

15 Other financial liabilities

Particulars	As at March 31, 2025
Employee benefits payables	1.22
Capital creditors (refer note 26)	2.64
Interest accrued but not due on borrowings (refer note 26)	1.65
	5.51

16 Other current liabilities

Particulars	As at March 31, 2025
Statutory dues payable	0.64
	0.64



17	Revenue from operations	
	Particulars	For the period from March 29, 2024 to March 31, 2025
	Revenue from contracts with customers (refer note 31)	
	Sale of products	26.46
	Sale of services	8.01
	Other operating revenue	
	- Export incentives	0.03
		34.50
18	Other income	
	Particulars	For the period from March 29, 2024 to March 31, 2025
	Interest income	
	- on fixed deposits	0.10
		0.10
19	Cost of materials Consumed	
	(a) Particulars	For the period from March 29, 2024 to March 31, 2025
	Opening stock of raw material	-
	Add: Purchases	17.72
	Less: Closing stock of raw material	(2.16)
		15.56
	(b) Changes in inventories of work-in-progress	
	Particulars	For the period from March 29, 2024 to March 31, 2025
	Inventory at the beginning of the period	
	Work in progress	-
	Inventory at the end of the period	
	Work in progress	(6.02)
		(6.02)
	Total material consumed	9.54
20	Employee benefits expense	
	Particulars	For the period from March 29, 2024 to March 31, 2025
	Salaries, wages and bonus	11.18
	Contribution to provident and other funds	0.51
	Staff welfare expenses	0.10
		11.79



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21	Finance costs	For the period from March 29, 2024 to March 31, 2025
	Particulars	
	Interest on	
	- Term loans	0.53
	- Working capital loans	0.37
	- Loans from related parties	1.83
	- Lease liabilities	0.58
	- Others	0.01
	Bank charges	0.11
	Other borrowing costs	0.38
		3.81
22	Depreciation expenses	For the period from March 29, 2024 to March 31, 2025
	Particulars	
	Depreciation of Property, plant and equipment (refer note 3(a))	1.03
	Depreciation on right-of-use assets (refer note 3(b))	1.38
		2.41
23	Other expenses	For the period from March 29, 2024 to March 31, 2025
	Particulars	
	Stores and spares consumed	2.62
	Job work charges	0.75
	Tools	0.53
	Repairs and maintenance :	
	- Machinery	0.60
	- Others	0.88
	Transportation charges	0.87
	Power and fuel	2.45
	Communication, broadband and internet expenses	0.02
	Insurance	0.08
	Travelling and conveyance expenses	0.32
	Rates and taxes	0.57
	Loss on foreign exchange transactions and translations	0.02
	Professional & consultancy fees	0.44
	Printing, stationery, postage and courier	0.16
	Auditors remuneration (refer note (i) below)	0.31
	Miscellaneous expenses	1.13
		11.75

Note (i) Auditors Remuneration:

The following is the breakup of auditors remuneration (exclusive of indirect taxes)

Particulars	For the period from March 29, 2024 to March 31, 2025
As auditor	
- Statutory audit	0.30
In other capacity	
- Out of pocket Expenses	0.01
	0.31



24 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 period from March 29, 2024 to March 31, 2025
Earnings	
Profit after tax for the period attributable to equity shareholders	(4.70)
Profit for the period considered for calculation of diluted earnings per share	(4.70)
Shares	
No of shares at the beginning of the period	-
Add : Equity shares issued during the period	19,608
No of shares at the end of the period	19,608
Earnings Per Share	
Face Value ₹ 10 per share	
Basic (₹)	(239.70)
Diluted (₹)	(239.70)

Note: No potential equity shares are outstanding as at March 31, 2025 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered dilutive EPS.



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25 Contingent liabilities and commitments

No capital commitments or contingent liabilities arised during the year.

26 Related party disclosures

(a) Names of related parties and related party relationship

Nature of relationship	Name of the related party
Holding Company	Azad Engineering Limited
Key managerial persons:	Ravikumar Viswanadha-Director w.e.f April 06, 2024 Madhusree Vemuru-Director w.e.f April 06, 2024 Rakesh Chopdar-Director w.e.f. March 29, 2024 Jyoti Chopdar-Director w.e.f. March 29, 2024
Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence	VTC Surface Technologies Private Limited

(b) Transactions with Holding company - Azad Engineering Limited

Particulars	For the period from March 29, 2024 to March 31, 2025
Sale of services	5.86
Inter corporate loan obtained	27.10
Issue of equity share capital	0.10
Corporate guarantee given	65.00
Interest Expense	1.83

(c) Balances with Holding company- Azad Engineering Limited

Particulars	As at March 31, 2025
Trade receivables	1.12
Inter corporate loan payable	27.10
Corporate guarantee given	52.45
Equity share capital	0.10
Interest accrued but not due on borrowings	1.65

(d) Transactions with KMP's/directors and their relatives

Particulars	For the period from March 29, 2024 to March 31, 2025
KMPs Remuneration:	
Ravikumar Viswanadha	2.58

(e) Transactions with entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence

Particulars	For the period from March 29, 2024 to March 31, 2025
VTC Surface Technologies Private Limited	
Purchase of PPE	19.20
Lease Rent Paid	1.49



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(e) Balances with VTC Surface Technologies Private Limited

Particulars	As at March 31, 2025
Capital Creditors	1.12
Rent Payable	0.18

27 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 period from March 29, 2024 to March 31, 2025
The amounts remaining unpaid to micro and small supplies as at end of the period	-
i) Principal amount remaining unpaid to supplier at the end of the period	-
ii) Interest due thereon remaining unpaid to supplier at the end of the period	-
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the period	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-
v) Interest paid to suppliers under MSMED Act (Section 16)	-
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 period to suppliers under MSMED Act (ii) + (vi)	-

28 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) Amounts recognised as expense:

Defined contribution plan

Provident fund

Contribution towards employee provident fund, which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 0.43.

Employees' State Insurance

Contribution towards Employees' State Insurance which is a defined contribution plan for the year March 31, 2025 aggregated to ₹ 0.08.



29 Financial instruments

A. Financial instruments by category	Method of valuation	Note	As at March 31, 2025
Financial assets			
Non current			
Other financial assets	Amortized Cost	4	0.01
Current			
(i) Trade receivables	Amortized Cost	7	12.51
(ii) Cash and cash equivalents	Amortized Cost	8(a)	0.68
(iii) Bank balances other than (ii) above	Amortized Cost	8(b)	6.50
(iv) Other financial assets	Amortized Cost	4	0.10
Total financial assets			19.80
Financial liabilities			
Non current			
(i) Borrowings	Amortized Cost	12	56.73
(ii) Lease liabilities	Amortized Cost	3(b)	6.79
Current			
(i) Borrowings	Amortized Cost	13	22.82
(ii) Lease liabilities	Amortized Cost	3(b)	1.51
(iii) Trade payables	Amortized Cost	14	7.85
(iv) Other financial liabilities	Amortized Cost	15	5.51
Total financial liabilities			101.21

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.

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 and bank deposits.	Ageing analysis. Credit score of customers/entities.	Monitoring the credit limits of customers and obtaining security deposits. Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	

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.



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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.

Particulars	For the period from March 29, 2024 to March 31, 2025
Revenue from top customer	8.99
Revenue from top 5 customers (other than above customer)	28.68

One customer accounted for more than 10% of the revenue for the period ended 31 March 2025.

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.

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.

6. 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 31 March 2025

24.95

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	56.73	-	52.05	4.68	56.73
Lease liabilities	8.30	2.18	8.03	-	10.21
Short-term borrowings	22.82	22.82	-	-	22.82
Trade payables	7.85	7.85	-	-	7.85
Other financial liabilities	5.51	5.51	-	-	5.51
Total	101.21	38.36	60.08	4.68	103.12

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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
Variable rate borrowings	52.45
Fixed rate borrowings	27.10



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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 period from March 29, 2024 to March 31, 2025
Sensitivity	
1% increase in variable rate	(0.52)
1% decrease in variable rate	0.52

(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 exchange rate, 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
31 March 2025		
Trade receivable	0.02	2.10

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 Strengthening	Profit or loss Weakening	Equity, net of tax Strengthening	Equity, net of tax Weakening
31 March 2025	USD	0.11	(0.11)	0.08	(0.08)

30 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 and current borrowing from banks and holding company. 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:

Particulars	As at March 31, 2025
Total debt (refer note 12 and 13)	79.55
Less : cash and cash equivalents and bank balances	7.18
Adjusted net debt	72.37
 Total equity	 (4.50)
Gearing ratio	1.07

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.



31 Revenue from operations

Revenue from contract with customers		For the period from March 29, 2024 to March 31, 2025
Particulars		
Income from sale of products		26.46
Income from sale of services		8.01
Export incentives		0.03
		34.50

Disaggregated revenue information

Geographic revenue

Revenue from contract with customers	
Particulars	
Within India	32.35
Outside India	2.15
	34.50

Timing of revenue recognition

Revenue from contracts with customers	
Particulars	
Services transferred at a point of time	8.04
Goods transferred at a point of time	26.46
Total revenue from contracts with customers	34.50

Reconciliation of revenue recognised with the contracted price is as follows:

Revenue from contracts with customers	
Particulars	
Contract price	34.50
Less: Discounts and disallowances	-
Total revenue from contracts with customers	34.50

Contract balances

Contract balances		As at 31 March 2025
Particulars		
Trade receivables (refer note 7)		12.51
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.

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

33 Subsequent events

No Significant Subsequent events have been observed which may require an adjustment / disclosure to the financial statements



34 Going concern

1. The Company was a newly incorporated entity [incorporated on March 29, 2024] with an object of to engage in the business of advanced wear, corrosion, and heat resistance coatings, metal surface coatings. These coatings are a critical application on the components which operate in extremely severe conditions for power generation, aerospace, defense and Oil & Gas..

2. The Entity recorded a loss of ₹ 4.70 Mn during the current year. Pursuant to such loss, the Company's net worth turned negative as of March 31, 2025. Since this is the first year of incorporation the qualification of facility is still under progress where qualification is expected to be completed by 2026 for initial projects.

3. The Company has projected to meet all the requirements and able to have the surplus balance at the end of next financial year.

4. In Current year entity has procured property plant & equipment worth ₹ 33.13 Mn, which will be operated effectively from next financial year.

5. Considering these factors, the management is of the opinion that the Company has adequate resources to continue its operations for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

35 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.

36 Statutory 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.
- (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 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 Company has not revalued its property, plant and equipment during the period from March 29, 2024 to March 31, 2025.
- (n) The Company 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.



37 Ratios as per the Schedule III requirements

Sno	Ratio	Particulars		Ratio as on March 31, 2025	Variation	Reason (if variation is more than 25%)
		Numerator	Denominator			
1	Current Ratio (in times)	Current assets	Current liabilities	0.91	The Company has incorporated in the current financial year ,hence the variance is not applicable	
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	(17.68)		
3	Debt Coverage Ratio	Earnings available for debt service	Total Interest and principal repayments	0.40		
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Total equity	1.04		
5	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	2.33		
6	Trade receivables turnover ratio (in times)	Credit sales	Average Trade Receivables	5.52		
7	Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	4.51		
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	2.82		
9	Net profit ratio (in %)	Net profit after tax	Sales	(0.14)		
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed	(0.01)		

38 These financial statements were approved by Board of Directors and authorised for issue on May 23, 2025.

As per our report even date attached

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 VTC Private Limited


 Rakesh Chopdar
 Director
 DIN: 01795599

Place: Hyderabad
 Date: May 23, 2025


 Ravikumar Viswanadha
 Director
 DIN: 01730393



Place: Hyderabad
 Date: May 23, 2025

