

Annual Report - 2026



Wholly Owned Subsidiary of

Craftsman
— AUTOMATION —

Independent Auditors' Report

To the Members of Sunbeam Lightweighting Solutions Limited
(Formerly known as 'Sunbeam Lightweighting Solutions Private Limited')

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sunbeam Lightweighting Solutions Limited (formerly known as 'Sunbeam Lightweighting Solutions Private Limited')** ('the Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of material accounting policies 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 31 March 2026, and its loss and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('Standards' or '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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the financial statements and Auditor's Report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report and Annexures to Board's Report, but does not include the financial statements and our report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged with Governance for the financial statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 over financial reporting and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure 'A' to this report, a statement on the matters specified in para 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 accounts 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 paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) on the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) with respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Rules;

- (g) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (h) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 3.9 to the financial statements, has disclosed the impact of pending litigations on 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 due 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (b) the management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems, except that no audit trail was enabled
 - a) in accounting software at database level to log any direct data changes and to track table level and master level changes in the application; and
 - b) in software used for payroll at application and database level

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 0037925)

V. Viswanathan
Partner

Place: Coimbatore
Date: April 25, 2026

Membership No. 215565
UDIN: 26215565FICIWO1043

Annexure A to the Independent Auditor's Report

With reference to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Sunbeam Lightweighting Solutions Limited** ("the Company") of even date, we report the following:

- (i) (a) (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and relevant details of Right-of-Use Assets.
- (B) the Company has maintained proper records showing full particulars of intangible assets;
- (b) the Company has a programme of physical verification of its property, plant and equipment and relevant right of use assets in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification;
- (c) according to the information and explanations given to us and the records examined by us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) of land and buildings which are freehold and included under the head 'Property, plant and equipment' & 'Assets classified as held for sale' in the financial statements are held in the name of the Company as at the balance sheet date;
- (d) the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;
- (e) no proceedings have been initiated during the year or are pending against the Company as at 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- (ii) (a) in our opinion, the management of the Company has conducted physical verification of inventories except goods in transit and inventories lying with third party at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. The discrepancies noticed on such verification were not material and these have been properly dealt with in the books of account;
- (b) the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company;
- (iii) according to the information and explanation given to us, the Company has not made investments in, 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, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable. The Company has not made any investment covered under section 186 of the Companies Act, 2013. Hence, reporting under paragraph 3 (iv) of the Order does not arise.
- iv) according to the information and explanations given to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at 31 March 2026 and hence the provisions of the paragraph 3(v) of the Order is not applicable to the Company;
- (vi) the Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- (vii) (a) according to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to the Company during the year with appropriate authorities, though there have been slight delays in few cases. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess or other material statutory dues outstanding as at 31 March 2026 for a period of more than six months from the date they became payable. The Company

has not deposited undisputed statutory dues of External development charges payable to Directorate of Local Bodies (Haryana) of ₹589 lakhs since March 2023.

- (b) according to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, service tax, goods and services tax as at 31 March 2026 which have not been deposited with statutory authorities on account of a dispute pending are as under:

Name of the statute	Nature of dues	Amount involved in dispute (₹ in Lakhs)	Unpaid disputed amount (₹ in Lakhs)	Period to which the amount relates	The forum where the dispute is pending
Goods and Service Tax Act, 2017	GST	42	34	2017-19	Deputy / Assistant Commissioner, Division III, Sanand, Gujarat
Goods and Service Tax Act, 2017	GST	2	2	2019-20	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	128	115	2018-19	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	82	74	2019-20	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	52	47	2019-20	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	33	29	2019-20	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	1	1	2020-21	Commissioner Appeal
Goods and Service Tax Act, 2017	GST	80	72	2021-22	Commissioner Appeal
Haryana Value Added Tax, 2003	VAT	371	12	2010-11 to 2014-15	Punjab & Haryana High Court
Central Excise Act, 1944	Excise	9	9	2007	Addl. Commissioner, Central Excise, Delhi-III, Gurugram
Central Excise Act, 1944	Excise	3	3	2012-13	Assistant Commissioner - DIV-V, Gurugram
Central Excise Act, 1944	Excise	3	3	21 Sep 2012	Punjab & Haryana High Court
Central Excise Act, 1944	Excise	1	1	2013	CESTAT, Chandigarh
Customs Act, 1962	Customs	4	4	Jan 2022	Commissioner Appeal
Finance Act	Service Tax	28	25	2012-13 to 2014-15	Rajasthan High court

- (viii) based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company;

- (ix) (a) according to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any lender during the year
- (b) the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) according to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- (d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) the Company does not have a subsidiary or a joint venture or an associate. Hence reporting under paragraph 3(ix)(e) of the Order does not arise.
- (f) the Company does not have a subsidiary or a joint venture or an associate company. Hence reporting under paragraph 3(ix)(f) of the Order does not arise.
- (x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
- (xi) (a) to the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year;
- (b) no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) according to the information and explanation given to us, no whistle blower complaints were received by the Company during the year;
- (xii) the Company is not a Nidhi Company. Accordingly, reporting on paragraph 3(xii) of the Order is not applicable to the Company;
- (xiii) in our opinion and according to the information and explanations given to us, the Company is in compliance with sections 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act;
- (xiv) (a) in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) we have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- (xv) according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year and hence provisions of section 192 of the Act is not applicable to the Company;
- (xvi) (a) in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable;
- (b) in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;
- (xvii) the Company has not incurred cash losses in the current financial year. The Company has incurred cash losses in the immediately preceding financial year amounting to ₹15,708 Lakhs;
- (xviii) there has been no resignation of the statutory auditors of the Company during the year;
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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 audit procedures, the provisions of Section 135 are not applicable to the Company for the current year in the absence of average net profits in the immediately three preceding years. Hence, reporting under paragraph 3(xx) of the Order does not arise.

(xxi) the Company is not required to prepare consolidated financial statements. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.

Place: Coimbatore
Date: April 25, 2026

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 26215565FICIWO1043

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sunbeam Lightweighting Solutions Limited (formerly known as 'Sunbeam Lightweighting Solutions Private Limited') of even date)

Independent Auditors' Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Sunbeam Lightweighting Solutions Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). 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 over financial reporting based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner

Place: Coimbatore
Date: April 25, 2026

Membership No. 215565
UDIN: 26215565FICIWO1043

Balance Sheet

As at March 31, 2026
CIN : U29309HR2017PLC071709

(All amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	Note No.	As at March 31 2026	As at March 31 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	1.1	28,480	16,133
Capital Work in progress	1.2	7,206	7,532
Intangible assets	1.3	64	62
Right-of-use Asset	1.4	3,394	1,974
Financial assets			
Investments	1.5	9	9
Security Deposits	1.6	1,162	1,105
Other financial assets	1.7	356	253
Deferred tax assets (Net)	1.8	12,456	4,199
Current tax assets (Net)	1.9	573	839
Other non-current assets	1.10	2,150	2,282
		55,850	34,388
Current assets			
Inventories	1.11	23,456	20,711
Financial assets			
Trade receivables	1.12	19,649	15,060
Cash and cash equivalents	1.13	312	475
Other bank balances	1.14	73	71
Other financial assets	1.15	276	179
Other Current assets	1.16	2,962	2,403
		46,728	38,899
Assets classified as held for sale	1.1A	15,349	15,283
Total Assets		1,17,927	88,570
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	1.17	1,22,915	85,315
Compulsorily convertible preference shares	1.17	-	13,538
Other Equity	1.18	(1,03,003)	(88,110)
		19,912	10,743
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1.19	34,070	27,557
Lease Liabilities	1.20	970	-
Other Non-Current Financial Liabilities	1.21	618	618
Provisions	1.22	-	336
		35,658	28,511
Current liabilities			
Financial Liabilities			
Borrowings	1.23	23,206	9,762
Lease Liabilities	1.24	584	104
Trade payables			
(a) total outstanding dues of micro enterprises & small enterprises		2,773	2,939
(b) total outstanding dues of creditors other than micro enterprises & small enterprises	1.25	26,010	20,403
Other current financial liabilities	1.26	6,046	13,632
Other current liabilities	1.27	2,920	1,658
Provisions	1.28	818	818
		62,357	49,316
Total Equity and Liabilities		1,17,927	88,570

The accompanying notes form an integral part of the financial statement
This is the Balance Sheet referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accounts
Firm Registration No. 0037925

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 25, 2026

For and on behalf of the Board of Directors of
Sunbeam Lightweighting Solutions Limited

Ravi Gauthamram
Non-Executive Director
DIN : 06789004
Place : Coimbatore

Shainshad Aduvanni
Company Secretary
M.No. A27895
Place : Coimbatore
Date : April 25, 2026

Morri Sampath Kumar
Non-Executive Director
DIN : 10945311
Place : Coimbatore

Jagdeep Singh Oberoi
Chief Financial Officer and Manager
Place : Gurugram

Statement of Profit and Loss

For the year ended March 31, 2026

CIN : U29309HR2017PLC071709

(All amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31 2026	Year ended March 31 2025
INCOME			
Revenue From Operations	2.1	1,39,696	1,23,746
Other Income	2.2	3,463	629
Total Income (A)		1,43,159	1,24,375
EXPENSES			
Cost of materials consumed	2.3	80,690	72,047
Changes in inventories of finished goods and work-in-progress	2.4	1,157	(4,245)
Employee benefits expense	2.5	9,467	16,087
Depreciation, amortization and impairment expense	2.6	5,725	7,265
Other expenses	2.7	42,737	43,621
Finance costs	2.8	6,465	9,200
Total expenses (B)		1,46,241	1,43,975
Profit/(loss) before exceptional items (C = A-B)		(3,082)	(19,600)
Exceptional items (D)	2.9	(873)	(3,590)
Profit/(loss) before tax (E = C-D)		(3,955)	(23,190)
Tax expense:			
Current Tax	3.1	-	(10)
Deferred tax		81	(17,867)
		81	(17,877)
Profit/(loss) for the year (F)		(4,036)	(5,313)
Other Comprehensive Income ("OCI")			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(116)	(285)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income/(loss) for the year, net of tax (G)		(116)	(285)
Total Comprehensive Income/(loss) for the year (F+G)		(4,152)	(5,598)
Basic earnings per equity share	3.4	(0.43)	(0.63)
Diluted earnings per equity share		(0.43)	(0.63)
Face value per equity share		10.00	10.00

The accompanying notes form an integral part of the financial statement

This is the Statement of Profit and Loss referred to in our report of even date

For **SHARP & TANNAN**

Chartered Accounts

Firm Registration No. 0037925

V. Viswanathan

Partner

Membership No. 215565

Place : Coimbatore

Date : April 25, 2026

For and on behalf of the Board of Directors of

Sunbeam Lightweighting Solutions Limited

Ravi Gauthamram

Non-Executive Director

DIN : 06789004

Place : Coimbatore

Shainshad Aduvanni

Company Secretary

M.No. A27895

Place : Coimbatore

Date : April 25, 2026

Morri Sampath Kumar

Non-Executive Director

DIN : 10945311

Place : Coimbatore

Jagdeep Singh Oberoi

Chief Financial Officer and Manager

Place : Gurugram

Statement of Cashflow

for the year ended March 31, 2026
CIN : U29309HR2017PLC071709

(All amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	Year ended March 31 2026	Year ended March 31 2025
Cash flows from operating activities		
Profit/(loss) before taxation ('PBT')	(3,955)	(23,190)
Adjustments to reconcile PBT to net cash flows:		
Depreciation, amortization and impairment expense	5,725	7,265
Loss/(Gain) on sale of assets	(1,429)	(1)
Exchange rate difference on Foreign currency transaction/translation (loss/(gain))	(471)	(341)
Allowance for :		
Expected credit loss	-	45
Warranty & Rejection	409	205
Slow moving inventory	(198)	132
Interest income (including fair value changes in financial instruments)	(40)	(51)
Government grant income	(1,298)	(1,025)
Assets no longer receivable written off	-	(45)
Rental income	(89)	(90)
Interest expense (including fair value changes in financial instruments)	6,443	9,200
Operating cash flow before changes in working capital	5,097	(7,896)
Adjustments for:		
Increase/ (Decrease) in provisions	(452)	(732)
Increase/ (Decrease) in other financial liabilities	(8,747)	5,189
Increase/ (Decrease) in other current liabilities	1,262	(3,930)
Increase/ (Decrease) in Trade Payables and other Payables	5,441	(18,489)
(Increase)/ Decrease in other non-current assets	16	109
(Increase)/ Decrease in other financial assets	(59)	3,686
(Increase)/ Decrease in other current assets	(559)	(183)
(Increase)/ Decrease in trade and other receivables	(4,549)	(219)
(Increase)/ Decrease in inventories	(2,547)	(6,308)
Cash generated from /(used in) operations	(5,097)	(28,773)
Income Tax Paid(Net of Refund)	266	(29)
Net cash from/(used in) operating activities - A	(4,831)	(28,802)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,071)	(12,263)
Purchase of Intangible Assets	(18)	(3)
Proceeds from sale of property, plant and equipment	1,539	23
Interest received	40	51
Rent received	89	90
Net cash from/(used in) investing activities - B	(13,421)	(12,102)

Statement of Cashflow

for the year ended March 31, 2026

CIN : U29309HR2017PLC071709

(All amount in ₹ lakhs, unless otherwise stated)

(₹ in Lakhs)

Particulars	Year ended March 31 2026	Year ended March 31 2025
Cash flows from financing activities		
Proceeds from issue of equity shares and Compulsory convertible preference shares	-	18,028
Proceeds from long-term borrowings	13,709	84,251
Repayment of long term borrowings	(2,702)	-
Net proceeds from / (repayments of) short-term borrowings	13,444	(51,979)
Principal payments towards lease liability	(271)	(120)
Interest paid	(6,091)	(9,130)
Net cash from/ (used in) financing activities- C	18,089	41,050
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(163)	146
Cash and cash equivalents at beginning of the year	475	329
Cash and cash equivalents at end of the year	312	475

The accompanying notes form an integral part of the financial statement

This is the Statement of Cashflow referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accounts
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 25, 2026

For and on behalf of the Board of Directors of
Sunbeam Lightweighting Solutions Limited

Ravi Gauthamram
Non-Executive Director
DIN : 06789004
Place : Coimbatore

Shainshad Aduvanni
Company Secretary
M.No. A27895
Place : Coimbatore
Date : April 25, 2026

Morri Sampath Kumar
Non-Executive Director
DIN : 10945311
Place : Coimbatore

Jagdeep Singh Oberoi
Chief Financial Officer and Manager
Place : Gurugram

Statement of Changes in Equity

for the year ended March 31, 2026
CIN : U29309HR2017PLC071709

(All amount in ₹ lakhs, unless otherwise stated)

a. Equity Share Capital

(₹ in Lakhs)

Particulars	Balance as at April 1, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026	Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
	85,315	37,600	1,22,915	80,825	4,490	85,315

b. Other Equity

Particulars	Reserves and Surplus						Total
	General Reserve	Retained Earnings	Equity component of Optionally convertible debentures	Securities premium reserve	Share options outstanding reserve	Other reserve	
Balance as at April 1, 2024	-	(1,24,557)	-	-	673	253	(1,23,631)
Profit/(loss) for the year	-	(5,313)	-	-	-	-	(5,313)
Other Comprehensive Income							
- Defined Benefit Plan	-	(285)	-	-	-	-	(285)
Total Comprehensive Income/(loss) for the year	-	(5,598)	-	-	-	-	(5,598)
Issues of Optionally Convertible Debentures - Equity component	-	-	40,639	-	-	-	40,639
Transfer from/to between reserves	926	-	-	-	(673)	(253)	-
Fair value of Financial guarantee asset	-	480	-	-	-	-	480
Balance as at March 31, 2025	926	(1,29,675)	40,639	-	-	-	(88,110)
Profit/(loss) for the year	-	(4,036)	-	-	-	-	(4,036)
Other Comprehensive Income							
- Defined Benefit Plan	-	(116)	-	-	-	-	(116)
Total Comprehensive Income/(loss) for the year	-	(4,152)	-	-	-	-	(4,152)
Transfer from equity component of Optionally Convertible Debentures	-	-	(25,221)	-	-	432	(24,789)
Conversion of Compulsorily convertible preference shares	-	-	-	13,538	-	-	13,538
Fair value of Financial guarantee asset	-	510	-	-	-	-	510
Balance as at March 31, 2026	926	(1,33,317)	15,418	13,538	-	432	(1,03,003)

The accompanying notes form an integral part of the financial statement
This is the Statement of Changes in Equity referred to in our report of even date

For **SHARP & TANNAN**
Chartered Accounts
Firm Registration No. 0037925

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 25, 2026

For and on behalf of the Board of Directors of
Sunbeam Lightweighting Solutions Limited

Ravi Gauthamram
Non-Executive Director
DIN : 06789004
Place : Coimbatore

Shainshad Aduvanni
Company Secretary
M.No. A27895
Place : Coimbatore
Date : April 25, 2026

Morri Sampath Kumar
Non-Executive Director
DIN : 10945311
Place : Coimbatore

Jagdeep Singh Oberoi
Chief Financial Officer and Manager
Place : Gurugram

Notes to Financial Statements

for the year ended March 31, 2026

A. CORPORATE INFORMATION

Sunbeam Lightweighting Solutions Limited ('the Company') (formerly known as Sunbeam Lightweighting Solutions Private Limited) is a Limited Company domiciled in India having CIN No. U29309HR2017PLC071709. The Company was incorporated on 4 December 2017, with its registered office situated at 38/6 KM Stone, Delhi Jaipur Highway, Narsingpur, Gurugram, Haryana 122001, India. The Company is primarily engaged in design, development, manufacturing, assembly and sale of components for the automotive industry. The Company caters to both domestic and international markets.

B. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under the Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015. The presentation of the financial statements is based on the requirements of the Companies Act, 2013.

C. RECENT ACCOUNTING DEVELOPMENTS:

New Accounting Standards/Amendments notified but not yet effective:

During the year ended 31 March 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

D. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in Indian Rupees which is the functional currency and presentation currency of the Company and all values are rounded to the nearest lakhs, except where otherwise indicated.

These financial statements have been prepared on a historical cost basis, except for the following material items in the balance sheet:

- Certain financial assets and liability measured at fair value (refer note. 3.6)
- Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation

E. MATERIAL ACCOUNTING POLICIES

S. No	MATERIAL ACCOUNTING POLICIES	E.	Reference in Balance sheet & Profit and Loss Notes
1	Property Plant and Equipment	a.	1.1
2	Inventory	b.	1.11
3	Impairment of assets	c.	1.1, 1.2, 1.3, 1.5 and 2.6
4	Revenue recognition	d.	2.1

a. Property Plant and Equipment

All property, plant and equipment except land is recognised at historical cost less depreciation. Freehold land is carried at historical cost.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. If Company makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Internal margins are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset are not included in the cost of the asset. Borrowing Costs are recognized as a component of the carrying amount of a self-constructed item of PPE if it meets the recognition criteria under Ind AS.

Depreciation on Property Plant and Equipment

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated on straight-line basis over its useful life.

In respect of certain classes of PPE, the Company uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on assessment by the management as detailed in the following table

Classes of PPE	Useful life and basis of depreciation
Tool and dies	2 Years
Lease hold improvements	Over lease period

b. Inventory

The cost of inventory items is determined by using weighted average cost formula.

Tools are valued at cost till they are issued for usage in production process. In respect of issued tools which can be refurbished, the Company depending upon its useful life amortizes on a straight-line basis over its useful life. Useful life determined for certain classes of tools is two to three years. Tools which are not refurbishable are charged off to Statement of Profit and Loss upon issue for usage.

The Company regularly assesses whether there is any indication of a diminution in the value of inventories. Such indications may include, but are not limited to, evidence of obsolescence, damage, changes in market conditions, or significant declines in selling prices. This policy applies to all inventories held by the company, including raw materials, work in progress, and finished goods. If there is objective evidence of a diminution in the value of inventories, the carrying amount of the inventories is reduced to their net realizable value.

Notes to Financial Statements

for the year ended March 31, 2026

c. Impairment of assets

At the end of each reporting period, the Company determines whether there is any indication that its assets (PPE, intangible assets and investments) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

d. Revenue recognition

i. Sale of Goods & Rendering of Services

Revenue is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales.

ii. Other Operating revenues

Other operating revenues comprise income from ancillary activities incidental to the operations of the Company and are recognised when the right to receive the income is established as per the terms of the contract.

F. OTHER ACCOUNTING POLICIES

a. **Property, Plant & Equipment**

Recognition and Measurement

All Property Plant & Equipment ('PPE') are stated at cost of acquisition / installation as adjusted for import duty waivers and foreign exchange losses / gains less accumulated depreciation and impairment losses. Cost of acquisition / installation includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable costs of bringing the asset to working condition for its intended use (inclusive of non-refundable purchase taxes and duties).

The Company capitalises the import duty waived in respect of capital equipment imported under the Export Promotion Capital Goods Scheme.

Subsequent expenditure relating to an item of PPE is capitalised if it meets the recognition criteria.

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods ('EPCG') schemes and which are recognized are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

b. **Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset with finite useful life that are acquired separately and where the useful life is 2 years or more is capitalised and carried at cost less accumulated amortization. Up to 31 December 2024, amortization was calculated on written down value ('WDV') basis, with effect from 01 January 2025 the Company changed the method of amortization to Straight Line Method ('SLM') to provide a more appropriate presentation of the financial position of the Company. (Refer note 3.17)

The class of asset and the estimated useful life is as follows

Description of the asset	Useful life and basis of amortization
Software – Acquired	5 – 10 Years
Technical Know-how Acquired	10 years

De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

c. **Leases**

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.

Notes to Financial Statements

for the year ended March 31, 2026

i. The Company as a lessee:

The Company's lease asset classes primarily consist of leases for Machineries and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. 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 an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through-out the period of the lease, and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other

assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset however if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii. Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

d. **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

Notes to Financial Statements

for the year ended March 31, 2026

acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

After initial recognition:

- (i) Financial assets (other than investments) are subsequently measured at amortized cost using the effective interest method.

Effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- (ii) Financial assets (i.e. investments) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in other comprehensive income.

- i. Investments

The Company has valued the investments at fair value through Other Comprehensive Income. Fair value of unquoted instrument has been valued at book value of that Company based on Level 3 input.

- ii. Financial Guarantee Assets

The Company has financial assets in the form of financial guarantee issued by related parties to lenders in favor of the Company. Financial guarantee are contracts that require the issuer to make specified payments to reimburse the holder i.e. the lender for a loss incurred if the Company fails to make a payment when due, in accordance with the terms of a debt instrument. These contracts are initially recognised as a financial asset at fair value. In cases where guarantees are received for loans from related parties without any consideration, the fair value of such guarantees is recognised as an equity contribution.

- iii. Cash and cash equivalents:

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and net off bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

- iv. Trade receivables

Trade receivables are initially recognised at transaction value. Subsequently, these assets are held at amortized cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses.

- v. Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

- vi. De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the assets' carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments:

- vii. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial

Notes to Financial Statements

for the year ended March 31, 2026

liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

viii. 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 are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments are recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ix. Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as a part of cost of an asset is included in the "Finance Costs".

x. Compound financial instruments

Compound financial Instruments issued by the Company comprise Optionally convertible debentures (OCDs) denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, net of taxes. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Optionally convertible debentures (OCDs) issued by the Company, denominated in INR, can be converted to equity shares at the mutual consent of the issuer and the holder. These OCDs are classified as a financial liability when the number of shares to be issued is not fixed and varies with changes in fair value.

xi. De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

e. Inventories

The Company determines the cost for items that are not interchangeable or that have been segregated for specific contracts on an individual-item basis as per Ind AS 2, 'Inventories'.

The Company uses the same cost formula for all inventories of similar nature and use. The cost formula used is applied on a consistent basis from period to period.

Inventories are initially recognised at the lower of cost or net realizable value ('NRV'). Cost of inventories includes import duties, non-refundable taxes, transport and handling costs and any other directly attributable costs, less trade discounts, rebates and similar items. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

Raw materials, components, stores and spares of inventory are measured at weighted average cost. Materials and other items held for use in the production of inventories are not written down

Notes to Financial Statements

for the year ended March 31, 2026

below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Cost includes direct materials, labour and a portion of manufacturing overheads. Saleable scrap is valued at lowest of the net realisable value in the last two months.

The Company selects a reasonable basis for allocating overhead costs to inventory items. Common allocation bases include direct labor hours, machine hours, or direct material costs. Overheads refer to indirect costs incurred in the production process that cannot be directly traced to specific inventory items. These costs include, but are not limited to, factory overheads, utilities, depreciation of production equipment, and indirect labor costs. Overhead costs are allocated to inventory items using the above-mentioned allocation basis.

f. Provisions

The Company recognises a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

A contingent liability is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

g. Revenue recognition - Dividend and Interest Income

- i. Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- ii. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

h. Government Grant

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Import duty waivers for capital assets purchased under Export Promotion Capital Goods schemes are recorded as deferred revenue and recognised in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

Notes to Financial Statements

for the year ended March 31, 2026

i. Employee Benefits

i. Defined contribution plans

Provident fund (PF) & Employee State Insurance (ESI)

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and payments to defined contribution plans i.e., Company's contribution employee state insurance and other funds are determined under the relevant schemes and / or statute are charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

Superannuation Fund

The Company makes specified contributions towards Superannuation fund to the Life Insurance Corporation of India ('LIC'). Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the period during which the related services are rendered by employees.

ii. Defined benefit plans

Accounting for defined benefit plans is based on actuarial assumptions and different valuation methods to measure the balance sheet obligation and the expense.

Where defined benefit plans are funded, the plan assets are measured at fair value. At each balance sheet date, the plan assets and the defined benefit obligations are remeasured. The Statement of Profit and Loss reflects the change in the surplus or deficit, except for contributions made to the plan and benefits paid by the plan, along with business combinations and remeasurement gains and losses.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognised in Other Comprehensive Income.

The defined benefit costs are comprised of the following individual components:

- Service costs (including current and past service costs as well as gains/losses on curtailments and settlements)
- Net interest costs or income
- Re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprises actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

iii. Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

iv. Compensated leave absences

Compensated leave absences are encashed to employees at year end and no carry forward of leave is permitted as per the leave policy. All leave remaining to be encashed at period end are fully provided.

j. Foreign Currency Transactions:

In preparing the financial statements, transactions in currencies other than the entity's functional currency (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 retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to Financial Statements

for the year ended March 31, 2026

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

k. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

i. Current Tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

ii. Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

I. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

G. Critical Accounting judgement and key sources of estimation uncertainty

The accounting policies which have the most material effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the material Ind AS accounting policies provided below:

i. Useful life of Property, Plant and Equipment and Intangible assets

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management. In case of intangible assets, the useful life is determined based on the period over which future economic benefit will flow to the Company.

Notes to Financial Statements

for the year ended March 31, 2026

ii. Income Tax & Deferred Tax

The calculation of income taxes requires judgement in interpreting tax rules and regulations. Management judgement is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognised.

The Company estimates the possible utilisation of unabsorbed losses while recognising deferred tax asset considering the future business plans and economic environment.

iii. Fair Value

Certain financial instruments, such as investments in equity securities, and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the Statement of Profit and Loss. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

iv. Measurement of defined benefit obligations

Actuarial valuation for gratuity and compensated absences considers various assumptions which are based on the past experience and general economic conditions.

v. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate.

Notes to Financial Statements

for the year ended March 31, 2026

1.1 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Asset Category	Freehold land	Leasehold improvement	Buildings	Plant and equipment	Computers	Electrical installations and equipment	Office equipment	Furniture and fixtures	Vehicles	Property, Plant & Equipment Total
Gross Block										
At April 1, 2024	16,224	803	9,679	56,558	386	480	134	156	86	84,506
Additions	-	46	31	5,068	24	219	18	10	2	5,418
Disposals	-	-	-	(614)	-	-	-	-	-	(614)
At April 1, 2025	16,224	849	9,710	61,012	410	699	152	166	88	89,310
Additions	-	15	804	17,004	151	-	79	74	9	18,136
Disposals	-	-	-	(1,106)	(3)	-	-	-	(49)	(1,158)
At March 31, 2026	16,224	864	10,514	76,910	558	699	231	240	48	1,06,288
Depreciation										
At April 1, 2024	-	90	5,578	44,723	313	356	99	77	62	51,298
Additions	-	405	441	6,124	46	107	20	17	7	7,167
Disposals	-	-	-	(571)	-	-	-	-	-	(571)
At April 1, 2025	-	495	6,019	50,276	359	463	119	94	69	57,894
Additions	-	317	174	4,870	64	44	22	12	5	5,508
Disposals	-	-	-	(899)	(3)	-	-	-	(41)	(943)
At March 31, 2026	-	812	6,193	54,247	420	507	141	106	33	62,459
Adjustment (refer note 1.1A)	(14,400)	-	(883)	(66)	-	-	-	-	-	(15,349)
At April 1, 2024	16,224	713	4,101	11,835	73	124	35	79	24	33,208
At April 1, 2025	1,824	354	2,808	10,736	51	236	33	72	19	16,133
At March 31, 2026	1,824	52	3,438	22,597	138	192	90	134	15	28,480

1.1A Assets Classified As Held for Sale

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	15,283	-
Additions	66	15,283
Deletions	-	-
Closing Balance	15,349	15,283

The closing balance comprises of land of ₹14,400 Lakhs, and Building of ₹883 Lakhs held at Gurgaon, Haryana. The Board of Directors in their meeting held on January 22, 2025 have resolved to dispose of the Land including building held by the Company at 38/6 K.M Stone Delhi-Jaipur Highway, Narshinghpur, Gurgaon-122001 measuring 16.184 acres. Accordingly, this has been classified as Assets held for sale. Further, the Assets held for sale includes Plant and Machinery of ₹66 Lakhs. (Refer note 3.17)

Notes to Financial Statements

for the year ended March 31, 2026

1.2 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Asset Category	TANGIBLE - CWIP	INTANGIBLE - CWIP	Capital Work in Progress Total
Gross Block			
At April 1, 2024	944	-	944
Additions	14,018	-	14,018
Capitalised during the year	(7,430)	-	(7,430)
At April 1, 2025	7,532	-	7,532
Additions	7,922	-	7,922
Capitalised during the year	(8,248)	-	(8,248)
At March 31, 2026	7,206	-	7,206

1.3 INTANGIBLE ASSETS

(₹ in Lakhs)

Asset Category	Computer software	Technical know-how	Non compete fee	Intangible Assets Total
Gross Block				
At April 1, 2024	424	46	424	894
Additions	3	-	-	3
Disposals	-	-	-	-
At April 1, 2025	427	46	424	897
Additions	18	-	-	18
Disposals	-	-	-	-
At March 31, 2026	445	46	424	915
Amortisation				
At April 1, 2024	352	31	424	807
Additions	25	3	-	28
Disposals	-	-	-	-
At April 1, 2025	377	34	424	835
Additions	14	2	-	16
Disposals	-	-	-	-
At March 31, 2026	391	36	424	851
At April 1, 2024	72	15	-	87
At April 1, 2025	50	12	-	62
At March 31, 2026	54	10	-	64

Note:

1. Refer Note no. 3.10 for details of charge on PPE of the Company

(a) CWIP ageing schedule

As on March 31, 2026

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	7,075	102	29	-	7,206
Projects temporarily suspended	-	-	-	-	-
	7,075	102	29	-	7,206

Notes to Financial Statements

for the year ended March 31, 2026

As on March 31, 2025

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	7,427	70	-	35	7,532
Projects temporarily suspended	-	-	-	-	-
	7,427	70	-	35	7,532

(b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan

As on March 31, 2026- Nil

As on March 31, 2025- Nil

NOTE No. 1.4

RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening	1,974	2,094
Additions	1,680	-
Amortisation expense	(260)	(120)
Deletions	-	-
Closing	3,394	1,974

NOTE No. 1.5

NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Equity instruments (at Fair Value through Other comprehensive income)		
Maruti Suzuki Insurance Broking Private Limited	9	9
(2,91,118 equity shares of ₹10 each fully paid - up)		
Total	9	9

The Company is holding an investment of 2,91,118 equity shares of Maruti Suzuki Insurance Broking Private Limited (MSIBPL), which was originally held by Sunbeam Auto Private Limited (the erstwhile company) prior to its acquisition by Kedaara Capital Fund II LLP in 2018. As per the Share Purchase Agreement ('SPA') executed during the acquisition in 2018, this investment was not part of the acquisition transaction and continues to be held by the Company on behalf of the erstwhile promoters of Sunbeam Auto Private Limited. Accordingly, the Company does not have beneficial ownership of this investment. Any proceeds arising on the eventual disposal of this investment will be transferred to the erstwhile promoters. In line with the substance of this arrangement, the Company has recognised a corresponding liability representing the obligation to transfer such proceeds. The transfer of shares can be effected only after MSIBPL obtains clearance from IRDAI.

NOTE No. 1.6

SECURITY DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	1,162	1,105
Total	1,162	1,105

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 1.7

OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Guarantee Asset	356	253
Total	356	253

Refer note 3.8 and 3.10

NOTE No. 1.8

DEFERRED TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets	17,538	17,780
Deferred Tax Liabilities	(5,082)	(13,581)
Total	12,456	4,199

NOTE No. 1.9

CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance payment of income tax less provisions	573	839
Total	573	839

NOTE No. 1.10

OTHER NON CURRENT ASSETS

Unsecured, considered good unless otherwise stated

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Advances	1,765	1,881
Prepaid Expenses	15	11
Advance to Employees	-	27
Advances recoverable in cash or in kind	370	363
Total	2,150	2,282

NOTE No. 1.11

INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials and Components (including goods in transit amounting to ₹134 lakhs ; 31 March 2025: ₹78 lakhs)	2,415	2,006
Work-in-progress# (including goods in transit amounting to ₹33 lakhs; 31 March 2025: ₹156 lakhs)	5,216	6,433
Finished goods** (including goods in transit amounting to ₹2,747 lakhs; 31 March 2025: ₹2,205 lakhs)	7,244	7,184
Consumable Stores (including goods in transit amounting to ₹26 lakhs; 31 March 2025: ₹80 lakhs)	1,256	749
Tools in use (including goods in transit amounting to ₹48 lakhs; 31 March 2025: ₹82 lakhs)	2,642	2,021
Machinery Spares (including goods in transit amounting to ₹111 lakhs; 31 March 2025: ₹59 lakhs)	4,683	2,318
Total	23,456	20,711

Notes to Financial Statements

for the year ended March 31, 2026

The write down of inventories to net realisable value during the year amounts to ₹403 lakhs (31 March 2025: ₹565 lakhs) and ₹627 lakhs (31 March 2025: ₹909 lakhs) related to finished goods and work in progress respectively.

The Company recorded provision for inventory amounting to ₹(198) lakhs (31 March 2025: ₹133 lakhs) during the year, on account of old & slow-moving inventory, resulting in a provision of inventory as at 31 March 2026 amounting to ₹2,048 lakhs (31 March 2025: ₹2,246 lakhs). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress, stores and spares in profit or loss, as the case may be.

The cost of inventories recognised as an expense during the year 31 March 2026 is ₹89,059 lakhs (31 March 2025: ₹ 74,241 lakhs).

* This includes alloy and shell core.

** This includes dies held for sale to customers in normal course of business.

NOTE No. 1.12

TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Considered good - Unsecured	19,649	15,060
Significant increase in Credit Risk	83	47
Credit impaired	19	33
Less: Expected Credit Loss allowance	(102)	(80)
Total	19,649	15,060

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 3.5d.

For Trade Receivables from Related Parties refer note 3.8.

Trade Receivables ageing is as follows:

As on March 31, 2026

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
Undisputed						
Considered good	18,726	712	120	32	59	19,649
Significant increase in credit risk	18	5	1	3	56	83
Credit impaired	-	-	-	19	-	19
Gross Trade Receivables	18,744	717	121	54	115	19,751
Less: Allowance for Expected Credit Loss	(18)	(5)	(1)	(22)	(56)	(102)
Total	18,726	712	120	32	59	19,649

As on March 31, 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
Undisputed						
Considered good	14,672	316	56	16	-	15,060
Significant increase in credit risk	-	-	-	40	7	47
Credit impaired	-	1	26	3	3	33
Gross Trade Receivables	14,672	317	82	59	10	15,140
Less: Allowance for Expected Credit Loss	(30)	(8)	(26)	(9)	(7)	(80)
Total	14,642	309	56	50	3	15,060

Notes to Financial Statements

for the year ended March 31, 2026

- (i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) There are no disputed receivables in the current and previous year.

NOTE No. 1.13

CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks	311	470
Cash on hand	1	5
Total	312	475

NOTE No. 1.14

OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Other Deposits		
- fixed deposits having maturity of more than 3 months but up to 12 months*	73	71
Total	73	71

*Fixed deposit with a carrying amount of ₹ 73 lakhs (31 March 2025: 71 lakhs) is maintained for the purpose of letter of credit and bank guarantees.

NOTE No. 1.15

OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Guarantee Asset	275	178
Interest receivable	1	1
Total	276	179

Refer note 3.8 and 3.10

NOTE No. 1.16

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Government Authorities	1,674	1,033
Advance to Suppliers (Other than Capital Goods)	872	716
Prepaid Expenses	403	554
Advance to Employees	13	100
Total	2,962	2,403

NOTE No. 1.17

EQUITY SHARE CAPITAL & COMPULSORILY CONVERTIBLE PREFERENCE SHARES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
1,25,00,00,000 (31 March 2025: 1,25,00,00,000) equity shares of ₹10 each	1,25,000	1,25,000
40,00,00,000 (31 March 2025: 40,00,00,000) preference shares of ₹10 each	40,000	40,000
Issued, Called, Subscribed & Paid - Up		
1,22,91,48,466 (31 March 2025: 85,31,47,112) equity shares of ₹10 each fully paid-up	1,22,915	85,315
Nil (31 March 2025: 13,53,80,000) Compulsorily convertible preference shares of ₹10 each fully paid-up	-	13,538
Total	1,22,915	98,853

Notes to Financial Statements

for the year ended March 31, 2026

a. Conversion of Compulsorily Convertible Preference Shares (CCPS)

During the year, 13,53,80,000 Compulsorily Convertible Preference Shares (CCPS) of face value ₹10 each were converted into equity shares in favour of the Holding Company, as per the conversion ratio of 0.00001:1. As a result, the Company has issued 1,354 equity shares of face value ₹10 each.

This conversion resulted in an increase in Equity Share Capital by ₹0.13 lakhs and the balance amount of ₹13,538 Lakhs has been credited to the Securities Premium account

b. Conversion of Optionally Convertible Debentures (OCDs)

During the year, 37,60,00,000 Optionally Convertible Debentures (OCDs) of face value ₹10 each were converted into equity shares in favour of the Holding Company as per the conversion ratio of 1:1. As a result, the Company has issued 37,60,00,000 equity shares of face value ₹10 each.

This conversion resulted in an increase in Equity Share Capital by ₹37,600 Lakhs

a. Movement in equity share is as below

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	85,31,47,112	85,315	80,82,47,112	80,825
Addition due to issue of shares	-	-	4,49,00,000	4,490
Addition due to conversion of CCPS to equity shares	1,354	0	-	-
Addition due to conversion of OCD to equity shares	37,60,00,000	37,600	-	-
Shares outstanding at the end of the year	1,22,91,48,466	1,22,915	85,31,47,112	85,315

b. Rights, Preferences and Restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the shareholders will be entitled to receive the remaining assets of the Company, in proportion to their shareholding.

c. Details of equity shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Craftsman Automation Limited including its nominee	1,22,91,48,466	100%	85,31,47,112	100%

d. Details of Promoter's shareholding

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Craftsman Automation Limited including its nominee	1,22,91,48,466	100%	85,31,47,112	100%

For the period of five years immediately preceding the balance sheet date

i) Details of number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash

- The Company has not allotted any shares pursuant to contracts without payment being received in cash

ii) Details of number and class of shares allotted as fully paid-up by way of bonus shares

- The Company has not allotted any shares as fully paid-up by way of bonus shares

Notes to Financial Statements

for the year ended March 31, 2026

iii) Details of number and class of shares bought back

- The Company has not bought back any shares during the period of 5 years immediately preceding the balance sheet date

NOTE No. 1.18

OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Reserves & Surplus			
Securities premium reserve	(i)	13,538	-
General Reserves	(ii)	926	926
Retained Earnings	(iii)	(1,33,317)	(1,29,675)
Other reserve	(iv)	432	-
Share options outstanding reserve	(v)	-	-
Total Reserves & Surplus		(1,18,421)	(1,28,749)
Equity portion of Optionally convertible debentures	(vi)	15,418	40,639
Total		(1,03,003)	(88,110)

Additions and Deductions since the last balance sheet date:

(i) Securities premium reserve

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Opening balance		-	-
Add: Conversion of Compulsorily convertible preference shares		13,538	-
Less : Transfer to General reserve		-	-
Closing balance		13,538	-

(ii) General reserve

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Opening balance		926	-
Add: Transfer from share option outstanding reserve		-	673
Add : Transfer from other reserve		-	253
Closing balance		926	926

(iii) Retained Earnings

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Opening balance		(1,29,675)	(1,24,557)
Profit/(loss) for the year		(4,036)	(5,313)
Items of other comprehensive income recognised directly in retained earnings:			
- Fair value of Financial guarantee Asset		510	480
- Remeasurements of defined benefit obligation (net of tax)		(116)	(285)
Closing balance		(1,33,317)	(1,29,675)

Notes to Financial Statements

for the year ended March 31, 2026

(iv) Other reserve

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	253
Add: Transfer from equity component of Optionally convertible debentures	432	-
Less : Transfer to General reserve	-	(253)
Closing balance	432	-

(v) Share options outstanding reserve

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	673
Add: Employee stock option expense for the year	-	-
Less : Transfer to General reserve	-	(673)
Closing balance	-	-

- Refer "Statement of Changes in Equity" for additions/deletions in each of these items.
- General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc.
- Retained earnings are used to record the profit/(loss) earned by the Company and remeasurement of defined benefit plan. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(vi) Equity portion of Optionally Convertible Debentures

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	40,639	-
Add : Equity portion of Optionally Convertible Debentures	-	40,639
Less : Conversion of Optionally Convertible Debentures into Equity shares	(25,221)	-
Closing balance	15,418	40,639

The Company had issued 60,60,00,000 Optionally Convertible Debentures ('OCDs') of face value of ₹ 10/- each to Craftsman Automation Limited, the Holding Company during the previous year ended 31 March 2025. During the current year, 37,60,00,000 OCDs were converted into equity shares and the closing balance represents the equity portion of OCD that has not been converted to equity as on the reporting date.

- The term of the OCDs is valid until October 04, 2044, or an earlier date as mutually agreed upon by the parties involved.
- The Company shall be obligated to pay to the OCD holder, and the OCD holder shall be entitled to receive, an interest of 0.0001% per annum on the face value of the OCDs.
- The OCD holder shall, at its sole discretion, by a written notice to the Company, be entitled to require the Company to redeem any number of OCDs held by it, on the date specified in such notice.
- The OCD holder shall anytime, at its sole discretion, by a written notice to the relevant Company, be entitled to require the Company to convert any number of OCDs held by it into 1 (one) Equity Share per OCD, on the date specified in such notice.
- The OCDs shall not carry any voting rights.
- The terms of the OCDs can be amended by mutual consent of the OCD holder and the Company.

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 1.19

BORROWINGS - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
From Banks		
Rupee Term Loans	20,963	13,749
From Non-Banking Financial Company		
Rupee Term Loans	5,299	7,168
Unsecured		
Rupee Term Loan (DR Axion India Limited)	5,000	-
0.0001% Optionally Convertible Debentures (Craftsman Automation Limited)	2,808	6,640
Total	34,070	27,557

Net Debt Reconciliation:

(₹ in Lakhs)

Particulars	Cash and cash equivalents	Current Borrowing	Non - Current Borrowing	Lease Liability	Total
Balance as at 01 April 2025	475	(7,100)	(30,306)	(104)	(37,035)
Cash Flows	(163)	(7,900)	(12,052)	(1,450)	(21,565)
Interest expense & other charges	-	(1,030)	(3,937)	(42)	(5,009)
Interest & charges paid	-	1,030	3,523	42	4,595
Balance as at 31 March 2026	312	(15,000)	(42,772)	(1,554)	(59,014)

(₹ in Lakhs)

Particulars	Cash and cash equivalents	Current Borrowing	Non - Current Borrowing	Lease Liability	Total
Balance as at 01 April 2024	329	(26,839)	(36,138)	(203)	(62,851)
Cash Flows	146	19,739	5,832	99	25,816
Interest expense & other charges	-	(841)	(3,976)	(21)	(4,838)
Interest & charges paid	-	841	3,976	21	4,838
Balance as at 31 March 2025	475	(7,100)	(30,306)	(104)	(37,035)

1. The above borrowings are carried at amortised cost.

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans from Banks/Non-Banking Financial Companies at amortised cost as at the end of the year (Current + Non-Current)	34,469	23,579
Add : Unamortised upfront fee paid as at the end of year	188	184
Gross loans from Banks/Non-Banking Financial Companies outstanding as at the end of the year	34,657	23,763

2. Refer note no 3.10 for security and terms of borrowings and refer note no. 3.8 for borrowings from related parties.

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 1.20

LEASE LIABILITIES - NON-CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	970	-
Total	970	-

NOTE No. 1.21

NON-CURRENT FINANCIAL LIABILITIES- OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Other payables*	618	618
Total	618	618

* Other payables are related to amounts payable (net of refunds) to the promoters of Sunbeam Auto Private Limited against refunds to be received from the Government. This liability arose as per the Share purchase agreement executed during the merger effected on 31 May 2018.

Information about the Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.5.

NOTE No. 1.22

LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for employee benefits		
Provision for compensated absences	-	336
Total	-	336

NOTE No. 1.23

BORROWINGS - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans repayable on demand from banks		
Rupee Loans	12,719	7,100
Foreign Currency Loans	2,281	-
Sub-total (A)	15,000	7,100
Current maturities of long-term debt (B)	8,206	2,662
Total (A + B)	23,206	9,762

Short Term Borrowings from banks are secured by

- first pari passu charge on current assets of the Company.
- second pari passu charge on movable and immovable property of the Company (Except land and building in Gurgaon).

NOTE No. 1.24

LEASE LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	584	104
Total	584	104

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 1.25

TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Due to Micro and Small Enterprises-(MSE)	2,773	2,939
Sub-total (A)	2,773	2,939
Due to Other Suppliers	24,719	17,963
Accrued Expenses	1,291	2,440
Sub-total (B)	26,010	20,403
Total (A + B)	28,783	23,342

- (a) Disclosure in relation to Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The dues to Micro and Small Enterprise as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) The principal amount remaining unpaid to any supplier as at the end of the year (refer note 3.11)	2,773	2,939
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	66	45
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year		
- interest paid	413	1,910
- payment to suppliers	2,843	27,508
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(e) Amount of Interest accrued and remaining unpaid at the end of the year	129	413
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	129	413

- (b) Ageing of trade payables is as follows:

As at 31st March 2026

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
(i) Micro and Small Enterprises	2,666	82	25	-	2,773
(ii) Others	25,696	211	19	84	26,010
Total	28,362	293	44	84	28,783

Notes to Financial Statements

for the year ended March 31, 2026

As at 31st March 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
(i) Micro and Small Enterprises	2,919	20	-	-	2,939
(ii) Others	20,221	49	42	91	20,403
Total	23,140	69	42	91	23,342

(i) There are no disputed payables in the current and previous year.

(ii) For Trade Payables to Related Parties refer note 3.8.

NOTE No. 1.26

OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	496	87
Creditors for capital goods and services	2,480	1,319
Employee related liabilities	1,081	9,154
External development charges	589	781
Others *	1,400	2,291
Total	6,046	13,632

*Others include amounts payable (net of refunds) to the promoters of Sunbeam Auto Private Limited against refunds to be received from the Government. This liability arose as per the Share purchase agreement executed during the merger effected on 31 May 2018.

Information about the Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 3.3 and 3.5.

NOTE No. 1.27

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers	2,786	878
Deferred Revenue- EPCG benefit	-	2
Statutory Dues	134	778
Total	2,920	1,658

NOTE No. 1.28

SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Gratuity	662	346
Compensated absences	133	449
Other Provisions		
Litigation	23	23
Total	818	818

Notes to Financial Statements

for the year ended March 31, 2026

Note:

Movement in Provision for litigation is as follows :

(₹ in Lakhs)

Particulars	Opening	Expired during the year	Litigation provided for current year	Closing
2025-26	23	-	-	23
2024-25	23	-	-	23

In earlier years, the company received the demand from Excise Department under the Finance Act, 1994 pertaining to years commencing April 1, 2012 to July 31, 2015 on the issue primarily related to Service Tax Credit taken on Services used for export of goods after Let Export order. The total demand involved in these cases is ₹ 28 lakhs. The management assessed the probability of the demand and has accrued provision for the demand including interest and penalty amounting to ₹ 11 lakhs as at March 31, 2026 (as at March 31, 2025: ₹11 lakhs). Further the remaining amount has been disclosed as contingent liability based on management's assessment.

In earlier years, at the time of assessment the company has received the demand from Haryana Sales tax Department under the Haryana VAT Act pertaining to years commencing

April 11, 2010 to 31 March, 2015 on the issue primarily related to VAT on expenses recovered from Overseas Customers towards Tools & Dies but retained for Manufacture Final Products on their behalf. The total demand involved in these cases is ₹370 lakhs. The management assessed the probability of the demand and has accrued provision for the demand including interest and penalty amounting to ₹12 lakhs as at March 31, 2026 (as at March 31, 2025: ₹12 lakhs). Further the remaining amount has been disclosed as contingent liability based on management's assessment.

NOTE No. 2.1

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products;		
Domestic Sales	1,18,315	1,02,699
Export Sales	17,093	18,142
A.	1,35,408	1,20,841
Sale of services;		
Service Charges	118	269
B.	118	269
Other operating revenues;		
Sale of swarf & others	2,872	1,611
EPCG income on fulfilling obligation	839	640
Export Incentive under RoDTEP	459	385
C.	4,170	2,636
Revenue from operations (A+B+C)	1,39,696	1,23,746

NOTE No. 2.2

OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income from deposits measured at amortised cost	40	51
Net gain on sale of assets	1,429	1
Rental income	89	90
Exchange rate Gain/(Loss) on Transaction & Translation	951	341
Provisions no longer required written back	892	-
Others	62	146
Total	3,463	629

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 2.3

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of goods sold	80,622	72,020
Carriage inward	68	27
Total	80,690	72,047

NOTE No. 2.4

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the end of the year		
Work in Progress	5,216	6,433
Finished Goods	7,244	7,184
Sub total	12,460	13,617
Inventory at the beginning of the year		
Work in Progress	6,433	5,175
Finished Goods	7,184	4,197
Sub total	13,617	9,372
(Increase)/decrease in inventory	1,157	(4,245)

NOTE No. 2.5

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	7,122	13,824
Contributions to Provident Fund & Employee State Insurance (refer note no. 3.3)	576	1,096
Contribution to Gratuity fund	211	225
Managerial Remuneration	41	169
Staff welfare expenses	1,517	773
Total	9,467	16,087

The Government of India on November 21, 2025 notified four labour codes i.e., the Code on Wages, 2019; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact of introducing these Codes.

The incremental impact of these changes, as assessed by the Company on the basis of the information available and consistent with the guidance provided by the Institute of Chartered Accountants of India, is not material and has been recognised in the financial statements of the Company for the year ended March 31, 2026. Once the Central / State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate any impact on the measurement of employee benefits and provide appropriate accounting treatment.

Notes to Financial Statements

for the year ended March 31, 2026

NOTE No. 2.6

DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Property, Plant & Equipment	5,389	7,075
Amortization of Intangible Assets	16	28
Amortization- Right-of-use Asset	260	120
Write - off	60	42
Total	5,725	7,265

NOTE No. 2.7

OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Manufacturing Expenses		
Stores, Spares & tool consumed	7,212	6,439
Power & Fuel	9,351	10,665
Repairs & Maintenance		
- Machinery	2,937	2,529
- Building	98	126
- Others	154	177
Payment to contractors	14,219	13,039
Other manufacturing expenses	17	36
A.	33,988	33,011
Administrative Expenses		
Professional and Consultancy charges	1,024	597
Insurance Charges	247	258
Rates & Taxes	196	1,030
Software Licenses	313	177
General Administrative Expenses	790	1,181
Rent	907	517
Telephone Expenses	19	26
Travelling Expenses	308	307
Directors' Sitting Fees	7	6
Remuneration to auditors	52	90
Amounts written off		
Bad debts	42	698
Provisions for the year		
Doubtful debts	22	(622)
B.	3,927	4,265
Selling expenses		
Packing material consumed	1,227	1,074
Carriage Outward	3,319	4,953
Sales Promotion Expenses	276	318
C.	4,822	6,345
Total (A+B+C)	42,737	43,621

Notes to Financial Statements

for the year ended March 31, 2026

Payment to Auditors

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fee	38	45
Other - Quarterly Review for Holding Company	7	-
Other Services- Certification*	2	38
Reimbursement of Expenses**	5	7
Total	52	90

* The previous year figures includes fees paid to predecessor auditor of ₹18 lakhs.

** The previous year figures includes reimbursement of expenses to predecessor auditor of ₹6 lakhs.

NOTE No. 2.8

FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses		
On Short Term Borrowings	1,030	841
On Long Term Borrowings at Amortised Cost	3,863	3,976
Others	1,026	4,087
Other Borrowing costs		
Amortisation of Financial guarantee Asset	310	49
Unwinding of discounted Upfront fee on loans	74	13
Interest unwind - lease liability (refer note no. 3.14)	42	21
Bank charges	98	213
Net (gain)/loss on foreign currency transactions and translation	22	-
Total	6,465	9,200

NOTE No. 2.9

EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Shifting Expenses	362	93
Consultancy Expenses	-	1,322
Gain on one time settlement of vendors/lenders	-	(16,044)
Permanent labour cost	511	18,219
Total	873	3,590

3.1 INCOME TAXES

Income tax expense for the year reconciled to accounting profit

(₹ in Lakhs)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	a	(3,955)	(23,190)
Income tax rate	b	25.168%	25.168%
Income tax expenses	a*b	(995)	(5,836)
Effect of			
i) Expenses inadmissible for tax		35	132
ii) Deferred Tax Assets		1,041	(12,173)
Income tax expense recognised in statement of profit & loss		81	(17,877)

Notes to Financial Statements

for the year ended March 31, 2026

As per the newly introduced section 115BAA of Income-tax Act, 1961, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after April 1, 2020, shall, at the option of such person, be computed at the rate of twenty-two per cent, if the conditions contained in sub-section (2) are satisfied. The Company expects to avail the benefit of this lower income tax rate once it has utilized its carry forward losses and depreciation. Accordingly, as per para 51 of Ind AS 12, while computing deferred tax assets/ liabilities, the Company has considered 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.

3.2 MOVEMENT OF DEFERRED TAX ASSETS/ (LIABILITIES)

(₹ in Lakhs)

Movement during the year ended March 31, 2026	As at March 31, 2025	Recognised in P&L	Transfer to Equity	As at March 31, 2026
Depreciation & Amortization	455	(1,397)	-	(942)
Provision for doubtful debts	20	6	-	26
Voluntary retirement scheme	3,761	(864)	-	2,897
Tax losses and unabsorbed depreciation	13,247	2,421	-	15,668
Equity Component of OCD	(13,581)	162	8,337	(5,082)
Other Temporary Differences	297	(408)	-	(111)
	4,199	(80)	8,337	12,456

Movement during the year ended March 31, 2025	As at March 31, 2024	Recognised in P&L	Initial recognition	As at March 31, 2025
Depreciation & Amortization	-	455	-	455
Provision for doubtful debts	-	20	-	20
Voluntary retirement scheme	-	3,761	-	3,761
Tax losses and unabsorbed depreciation	-	13,247	-	13,247
Equity Component of OCD	-	87	(13,668)	(13,581)
Other Temporary Differences	-	297	-	297
Total	-	17,867	(13,668)	4,199

3.3 EMPLOYEE BENEFITS

The Government of India on November 21, 2025 notified four labour codes i.e., the Code on Wages, 2019; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact of introducing these Codes.

The incremental impact of these changes, as assessed by the Company on the basis of the information available and consistent with the guidance provided by the Institute of Chartered Accountants of India, is not material and has been recognised in the financial statements of the Company for the year ended March 31, 2026. Once the Central / State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate any impact on the measurement of employee benefits and provide appropriate accounting treatment.

3.3A Defined Contribution Plan

The employee provident fund, employee state insurance and superannuation fund are in the nature of Defined Contribution Plan. The contribution made to these schemes are considered as expense in the Statement of Profit and Loss when the employee renders the related service.

The total expenses recognised in statement of profit and loss of ₹576 lakhs (2024-25: ₹1,096 lakhs) represents contribution payable to these plans by the company at rates specified in the rules of the plan.

Notes to Financial Statements

for the year ended March 31, 2026

3.3B Defined Benefit Plans

- a. The company extends defined benefit plan in the form of gratuity to employees. The company makes annual contribution to gratuity fund administered by trustees and managed by Life Insurance Corporation of India. The Company's liability is determined based on actuarial valuation done at the year end as per projected unit credit method. The plan provides for a lump-sum payment to be vested with employees at retirement, death, while in employment or on termination of employment at amount equivalent to 15 days salary payable for each completed year of service subject to the maximum of ₹20 lakhs. Vesting occurs upon completion of five years of service for regular employees and upon one year of service for fixed term contract employees.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

- b. The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	6.90%	6.55%
Expected rate of salary increase	5%	5%
Attrition rate:	100% for employees taking VRS and 10% for rest of the Employees	100% for employees taking VRS and 10% for rest of the Employees
Mortality – Indian assure lives mortality (2012-14) ultimate.	100% of IALM 2012-14	100% of IALM 2012-14

The estimate of future salary increase (which has been set in consultation with the company), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Financial Statements

for the year ended March 31, 2026

- c. Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current Service Cost	110	152
Past Service Cost	67	-
Net interest expense/ (income)	23	52
Component of defined benefit cost recognised in P&L	200	204
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (Gain)/Loss arising from changes in financial assumptions	(24)	69
Actuarial (Gain)/ Loss due to Experience on Defined benefit obligation	96	65
Actuarial (Gain)/Loss arising from changes in financial assumptions due to demographic assumption changes in Defined benefit obligation	-	69
Return on Plan Assets (Greater) / Less than Discount rate	44	82
Components of defined benefit costs recognised in other comprehensive income	116	285
Total Defined Benefit Cost	316	489

- d. The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows (₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of defined benefit obligation	1,160	2,157
Less: Fair value of plan assets	(498)	(1,811)
Net liability arising from defined benefit obligation (funded)	662	346

- e. Movements in the present value of the defined benefit obligation in the current year were as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening defined benefit obligation	2,157	3,492
Current Service Cost	110	152
Past Service Cost (Exceptional Item - Refer note: 3.18)	67	-
Interest Cost	141	248
Benefits paid	(1,387)	(1,938)
Actuarial (gain)/loss	72	203
Closing defined benefit obligation	1,160	2,157

- f. Movements in fair value of plan assets in the current year were as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening fair value of plan assets	1,811	2,735
Interest income of the assets	119	196
Employer contribution	-	900
Benefits payout	(1,387)	(1,938)
Actuarial gain/(loss)	(44)	(82)
Closing fair value of plan assets	499	1,811

Notes to Financial Statements

for the year ended March 31, 2026

g. The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation, which manages the plan assets.

The actual return on plan assets was ₹75 lakhs (2024-25: ₹114 lakhs)

h. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting year.

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would		
• Decrease by (Mar 26: (4.67%); Mar 25: (3.2%))	(1,106)	(2,087)
• Increase by (Mar 26: 5.16%; Mar 25: 3.5%)	1,220	2,232
If the expected salary is 100 basis points higher/lower, the defined benefit obligation would		
• Increase by (Mar 26: 5.16%; Mar 25: 3.5%)	(1,218)	2,233
• Decrease by (Mar 26: (4.65%); Mar 25: (3.2%))	1,106	(2,086)
If the attrition rate is 10% higher/lower, the defined benefit obligation would		
• Increase by (Mar 26: 0.5%; Mar 25: 0.7%)	1,166	2,171
• Decrease by (Mar 26: (0.5%); Mar 25: (1.6%))	(1,154)	(2,121)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

i. Funding arrangements

The company has been fully funding the liability through a trust administered by an insurance company. Regular assessment of the increase in liability is made by the insurance company and contributions are being made to maintain the fund. Subject to credit risk of the insurance company & the asset liability mismatch risk of the investments, the Company will be able to meet the past service liability on the valuation date that falls due in the future.

The Company expects to make a contribution of **₹130 lakhs** (as at March 31, 2025: ₹456 lakhs) to the defined benefit plans for the next financial year.

Information on the maturity profile of the liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Weighted average duration of the Defined benefit obligation	5.5 years	3 years
	₹ in Lakhs	₹ in Lakhs
Projected Benefit Obligation	1,160	2,157

Notes to Financial Statements

for the year ended March 31, 2026

j. Maturity Profile (Para 147 C of Ind AS 19):

(₹ in Lakhs)

FUTURE PAYOUTS	Present Value
Year (i)	236
Year (ii)- (v)	587
Next 5 year pay-outs(6-10yrs)	445
Pay-outs above ten years	-

3.4 EARNINGS PER SHARE

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Earnings per share	Rs.	Rs.
Basic earnings per share	(0.43)	(0.63)
Diluted earnings per share*	(0.43)	(0.63)
Face value per share	10	10
Basic and diluted earnings per share	₹Lakhs	₹Lakhs
Profit for the year attributable to equity shareholders	(4,036)	(5,313)
	Nos.	Nos.
Total number of equity shares outstanding at the end of the year	1,22,91,48,466	85,31,47,112
Weighted average number of equity shares		
used in the calculation of basic earnings per share	95,92,51,604	84,32,52,317
after adjustment for effect of dilution	95,92,51,604	84,32,52,317

Reconciliation of weighted average number of equity shares for calculation of basic and dilutive earnings per share:

Equity shares of face value of ₹10 per share:

Balance as at beginning of the year	85,31,47,112	80,82,47,112
Issued during the year	37,60,01,354	4,49,00,000
Balance as at end of the year	1,22,91,48,466	85,31,47,112

(Refer note 1.17 for movement in equity share capital during the year)

*For the year ended March 31, 2026: Nil (March 31, 2025: 13,53,80,000) number of Compulsorily Convertible Preference shares and 23,00,00,000 (March 31, 2025: 60,60,00,000) Optionally Convertible Debentures are not considered in the calculation of the weighted average number of equity shares for the calculation of diluted earning per share, as they are anti-dilutive in nature.

3.5 FINANCIAL INSTRUMENTS:

3.5 a Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, disposals of property assets and leases.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

Notes to Financial Statements

for the year ended March 31, 2026

The Debt to equity ratio as at the end of the year is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (long-term and short-term borrowings including current maturities)	57,276	37,319
Equity	19,912	10,743
Debt Equity Ratio	2.88	3.47

3.5b Interest rate sensitivity analysis:

For floating rate liabilities, the sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

However, change in interest rates would have an impact for the liabilities with floating rate as at March 31, 2026

Base Rate	Increase in Base rate	Effect of Change in interest rates		Outstanding as on	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
INR Baserate Term loan	100 bps	345	236	34,469	23,579
INR Baserate Other instruments	100 bps	150	71	15,000	7,100
INR Baserate Term loan	-100 bps	(345)	(236)	34,469	23,579
INR Baserate Other instruments	-100 bps	(150)	(71)	15,000	7,100

3.5c Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

(₹ in Lakhs)

Assets	Currency	As at March 31, 2026			As at March 31, 2025		
		Exchange Rate	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)	Exchange Rate	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)
Receivables	USD	94.65	65	6,111	85.58	47	4,024
	EUR	109.01	11	1,166	92.32	17	1,593
Total Receivables (A)				7,277			5,617
Hedged by derivative contracts (B)	USD	-	-	-	-	-	-
	EUR	-	-	-	-	-	-
Unhedged receivables (C=A-B)				7,277			5,617

Notes to Financial Statements

for the year ended March 31, 2026

(₹ in Lakhs)

Liabilities	Currency	As at March 31, 2026			As at March 31, 2025		
		Exchange Rate	Amount in Foreign currency (lakhs)	Amount (₹ in Lakhs)	Exchange Rate	Amount in Foreign currency (Lakhs)	Amount in ₹(Lakhs)
Payable (trade & other)	USD	94.65	27	2,531	85.58	-	-
	JPY	0.59	2	1	0.57	-	-
	EUR	109.01	1	67	92.32	2	220
Total Payables (A)				2,599			220
Hedges by derivative contracts (B)	-	-	-	-	-	-	-
Unhedged payables (C=A-B)				2,599			220

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments. The following table details the Company's sensitivity movement in the unhedged foreign currency exposure:

(₹ in Lakhs)

Currency	1% Strengthening of FC	
	As at March 31, 2026	As at March 31, 2025
USD	35.81	40.24
EUR	10.99	13.73
JPY	(0.01)	-

A depreciation of foreign currencies would have the opposite effect to the impact in the table above.

3.5d Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has only dealing with creditworthy counterparties. The company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

(₹ in Lakhs)

Particulars	As at March 31, 2026	0-6 Months	6-12 Months	More than 12 months
Gross carrying amount	19,751	18,744	717	290
Allowance for expected credit loss	(83)	(18)	(5)	(60)
Allowance for credit impaired assets	(19)	-	-	(19)
Carrying amount of trade receivables	19,649	18,726	712	211

Notes to Financial Statements

for the year ended March 31, 2026

(₹ in Lakhs)

Particulars	As at March 31, 2025	0-6 Months	6-12 Months	More than 12 months
Gross carrying amount	15,140	14,672	317	151
Allowance for expected credit loss	(47)	(30)	(7)	(10)
Allowance for credit impaired assets	(33)	-	(1)	(32)
Carrying amount of trade receivables	15,060	14,642	309	109

Movement in Credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	80	702
Allowance for bad and doubtful debts during the year	64	76
Trade receivables written off during the year	(42)	(698)
Credit impaired asset	-	-
Balance as at the end of the year	102	80

Liquidity Analysis:

The table below summarizes the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the discounted cash flows.

(₹ in Lakhs)

As at March 31, 2026	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	23,414	26,538	7,512	57,464
Interest payments on borrowings	2,986	4,383	111	7,480
Lease liability	584	970	-	1,554
Trade Payables	28,783	-	-	28,783

(₹ in Lakhs)

As at March 31, 2025	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Bank and other borrowings	9,762	19,779	7,962	37,503
Interest payments on borrowings	2,253	3,991	105	6,349
Lease liability	104	-	-	104
Trade Payables	23,342	-	-	23,342

Categories of Financial assets and liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Assets		
a. Measured at amortized cost:		
Cash and cash equivalents	312	475
Other bank balances & Interest receivable	74	72
Financial Guarantee Asset	631	431
Trade Receivables	19,649	15,060
Security Deposit	1,162	1,105
b. Mandatorily maintained at fair value through other comprehensive income (FVTOCI)		
Investments (net)	9	9

Notes to Financial Statements

for the year ended March 31, 2026

The Company has received corporate guarantee from DR Axion India Limited, a fellow subsidiary in respect of the term loans taken from banks and financial institutions.

No consideration was paid for this guarantee. The Company has recognised the guarantee asset at fair value of ₹990 Lakhs (31 March 2025 : 480 lakhs), which is shown under financial asset with the corresponding amount credited to retained earnings under other equity. This financial asset would be amortised to financial expenses over the tenure of the guarantee. During the year ₹310 Lakhs (31 March 2025 : 49 Lakhs) was amortised as financial expenses (Refer note 3.8 and note 3.10)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Liabilities		
a. Measured at amortized cost:		
Borrowings	57,276	37,319
Lease Liability	1,554	104
Trade Payables	28,783	23,342
Other Financial Liabilities	6,664	14,250
b. Liabilities measured at fair value through profit and loss (FVTPL)	-	-

3.6 FAIR VALUE MEASUREMENTS:

- i) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting year: The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Quoted Price for identical instruments in an active market

Level 2 : Directly or indirectly observable market inputs, Other than level 1 inputs and

Level 3 : Inputs which are not based on observable market data

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

A. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2026

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVOCI				
Investments	9	-	-	9

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2025

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at FVOCI				
Investments	9	-	-	9

Calculation of Fair Values:

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used.

Notes to Financial Statements

for the year ended March 31, 2026

3.7 MATURITY PROFILE OF FINANCIAL ASSET:

(₹ in Lakhs)

As at March 31, 2026	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Investments	-	9	-	9
Cash and Cash equivalent	312	-	-	312
Other bank balances	73	-	-	73
Trade Receivables	19,649	-	-	19,649
Security deposits	-	1,162	-	1,162
Other financial assets	276	356	-	632

(₹ in Lakhs)

As at March 31, 2025	Due within 1 year	Due between 2 and 5 years	Due beyond 5 years	Total Amount
Investments	-	9	-	9
Cash and Cash equivalent	475	-	-	475
Other bank balances	71	-	-	71
Trade Receivables	15,060	-	-	15,060
Security deposits	0	1,105	-	1,105
Other financial assets	178	253	-	431

3.8 RELATED PARTY DISCLOSURE:

a) List of parties where control exists

Holding Company

Craftsman Automation Limited including its nominee

b) Companies under Common Control

DR Axion India Limited

Craftsman Europe B.V.

Craftsman Germany GmbH

Craftsman Fronberg Guss GmbH

Craftsman Fronberg Guss Immobilien GmbH

Suprash Developers Private Limited (from 20th December 2025)

Srikara Technologies Private Limited (from 20th December 2025)

Key Management Personnel

MR. SRINIVASAN RAVI, Chairman and Non-Executive Director

MR. RAVI GAUTHAMRAM, Non-Executive Director

MR. JAI KUMAR MENON, Managing Director (upto 30th April 2025)

MRS. VIJAYA SAMPATH, Independent Director

MRS. RAJESWARI KARTHIGEYAN, Independent Director

MR. MORRI SAMPATH KUMAR, Non-Executive Director

MR. JAGDEEP SINGH OBEROI, Chief Financial Officer and Manager (Manager from 29th October, 2025)

MR. SHAINSHAD ADUVANNI, Company secretary

Notes to Financial Statements

for the year ended March 31, 2026

C) Related Party Transactions – Summary:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of Goods & Services		
Craftsman Automation Ltd	5,122	4,904
DR Axion India Limited	6	
Sale of Goods & Services		
Craftsman Automation Ltd	1,611	33
DR Axion India Limited	-	9
Reimbursement of Expenditure to		
DR Axion India Limited	-	177
Craftsman Automation Ltd	270	245
Remuneration to key management personnel (Incl PF)		
Managing Director	40	183
Chief Financial Officer	160	204
Company Secretary	-	6
Reimbursement of Expenditures to key management personnel		
Managing Director	1	8
Chief Financial Officer	10	13
Sitting Fee		
Non-Executive Directors	7	6
Rent Paid to		
Craftsman Automation Ltd	150	53
Loans - Received (Unsecured)		
DR Axion India Limited	5,000	-
Loans - Repayment Received		
Chief Financial Officer	15	39
Loans - Given		
Chief Financial Officer	-	15
Issue of Equity Share Capital		
Kedaara Capital Fund II LLP	-	4,490
(Same has been transferred to Craftsman Automation Limited in October 2024 during the acquisition)		
Issue of Compulsorily Convertible Preference Shares		
Kedaara Capital Fund II LLP	-	13,538
(Same has been transferred to Craftsman Automation Limited in October 2024 during the acquisition)		
Issue of Optional Convertible Debenture		
Craftsman Automation Ltd	-	23,000
Advances Received		
DR Axion India Limited	2,000	-
Interest Expense		
Craftsman Automation Limited	641	-
DR Axion India Limited	350	-

Notes to Financial Statements

for the year ended March 31, 2026

d) Balances of Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payable		
Craftsman Automation Ltd	4,917	201
DR Axion India Limited	119	306
Remuneration payable		
Managing Directors	-	8
Chief Financial Officer	6	7
Reimbursement of Expenditure payable		
Managing Directors	-	3
Chief Financial Officer	-	0
Craftsman Automation Ltd	-	54
Loans - Receivable		
Chief Financial Officer	-	15
Loans - Payable		
Craftsman Automation Ltd*	2,808	6,640
*This represent liability component of optionally convertible debenture (OCD) issued to Craftsman Automation Limited. According to Ind AS 109, the equity component (net of deferred tax liability) of the OCD of ₹15,849 lakhs is disclosed under other equity.		
DR Axion India Limited (Unsecured loan)	5,000	-
Advances received		
DR Axion India Limited	2,000	-
Interest payable		
DR Axion India Limited	350	-
Financial Guarantee Asset		
DR Axion India Limited	631	431

3.9 CONTINGENCIES & COMMITMENT

a) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2026	As at March 31, 2025
a. Claims against the Company not acknowledged as debt		
Corporate guarantees	-	-
Bank Guarantees	-	-
Service tax	-	17
Value added tax	315	315
Excise duty	28	15
Goods and Services tax	376	295
Customs	4	-
Income-tax	187	187

b) Commitment on Capital Account not provided as on March 31, 2026: ₹8,143 lakhs; March 31, 2025: ₹8,322 lakhs.

Notes to Financial Statements

for the year ended March 31, 2026

3.10 NON-CURRENT BORROWINGS

Borrowings	As at March 31, 2026			Particulars of Repayment		As at March 31, 2025		
	Non-Current	Current Maturity	Total	Instalments	Amount/Inst nos.	Non-Current	Current Maturity	Total
Kotak Term Loan 1	4,326	624	4,950	Monthly	69.33/72	-	-	-
Kotak Term Loan 2	4,112	831	4,943	Monthly	69.21/72	2,024	-	2,024
RBL WCTL	4,940	2,852	7,792	Monthly	237.69/42	7,753	2,139	9,892
Yes Bank Term loan	3,729	999	4,728	Quarterly	249.82/20	3,972	210	4,182
Tata Capital WCTL	5,299	1,875	7,174	Monthly	156.25/48	7,168	313	7,481
Federal Bank Term loan 1	2,116	375	2,491	Monthly	41.67/60	-	-	-
Federal Bank Term loan 2	1,740	650	2,390	Monthly	40.07/60	-	-	-

The above loans are guaranteed by DR Axion India Limited, a fellow subsidiary of the Company.

Secured Working Capital Term Loan of ₹10,000 lakhs sanctioned by RBL Bank during the previous financial year, which is for 48 months including six month moratorium. During the year company has taken the disbursement of ₹Nil (31 March 2025- 9,983 lakhs) which is repayable in 42 equal monthly instalment of ₹238 lakhs. Repayment will start from 12th July 2025 and end date will be 12th December 2028 and in the respect of security; First Pari Passu charge on entire movable fixed Assets (present & Future) and Immovable Fixed assets (Other than Gurgaon Property) (present & Future) of the company and Second Pari Passu charge on the entire current assets of the company (present & Future).

Secured Term Loan of ₹10,000 lakhs sanctioned by Kotak Mahindra Bank during the previous financial year for ₹5,000 lakhs for Working capital Term loan and ₹5,000 lakhs for Capex Term Loan, which is for 84 months along with 12 month moratorium. During the year the company has taken the disbursement of ₹2,909 Lakhs (31 March 2025- 2,074 lakhs) against Capex Term loan which is repayable in 72 equal monthly instalment of ₹69.21 Lakhs. Repayment start date will be 27th April 2026 and end date will be 27th March 2032 and during the year the company has taken the disbursement of ₹4,992 Lakhs (31 March 2025- Nil lakhs) against Working Capital Term loan which is repayable in 72 equal monthly instalment of ₹69.33 Lakhs. Repayment start date will be 09th July 2026 and end date will be 09th June 2032 and in the respect of security; First Pari Passu charge on all existing & future movable fixed Assets and Immovable Fixed assets (Other than Gurgaon Property) of the company and Second Pari Passu charge on the entire current assets of the company (present & Future).

Secured Capex Term Loan of ₹ 5,000 Lakhs taken sanctioned by YES Bank during the previous financial year which is repayable in 72 months along with 1 year moratorium period. During the Year company has taken the disbursement of ₹790 Lakhs (31 March 2025- 4,206 lakhs) which is repayable in 20 quarterly instalment of ₹250 lakhs. Quarterly Repayment start date will be 30th March 2026 and end date will be 30th December 2030 and in the respect of security; First Pari Passu charge by way of equitable mortgage on all movable fixed Assets (excluding vehicle) and Immovable Fixed assets (Other than Gurgaon Property) of the company and Second Pari Passu charge on the current assets of the company.

Secured Working Capital Term Loan of ₹7,500 lakhs sanctioned by Tata Capital Ltd during the previous financial year, which is for 60 months along with 12 month moratorium. During the year the company has taken the disbursement of ₹Nil (31 March 2025- 7,500 Lakhs) which is repayable in 48 equally monthly instalment of ₹156 lakhs Repayment start date will be 10th Feb 2026 and end date will be 10th January 2030 and in the respect of security; First Pari Passu charge on all existing & future movable fixed Assets and Immovable Fixed assets (Other than Gurgaon Property) of the company and Second Pari Passu charge on the entire current assets of the company (present & Future).

Secured Term Loan of ₹6,500 lakhs sanctioned by Federal Bank Limited during the financial year for ₹2,500 lakhs for Working capital Term loan and ₹4,000 lakhs for Capex Term Loan, which is for 69 months along with 9 month moratorium. During the year the company has taken the disbursement of ₹2,404 Lakhs (31 March 2025- Nil lakhs) against Capex Term loan which is repayable in 60 equal monthly instalment of ₹40.07 Lakhs. Repayment start date will be 09th July 2026 and end date will be 09th June 2031 and during the year the company has taken the disbursement of ₹2,500 Lakhs (31 March 2025- Nil lakhs) against Working Capital Term loan which is repayable in 60 equal monthly instalment of ₹41.67 Lakhs. Repayment start date will be 09th July 2026 and end date will be 09th June 2031 and in the respect of security; First Pari Passu charge on all existing & future movable fixed Assets and Immovable Fixed assets (Other than Gurgaon Property) of the company and Second Pari Passu charge on the entire current assets of the company (present & Future).

Notes to Financial Statements

for the year ended March 31, 2026

Customer Bill discounting facilitated by Kotak Mahindra Bank is secured by an exclusive charge on debtors discounted is generally repaid within 50 days having balance as at 31 March 2026 amounting to ₹2,585 Lakhs (31 March 2025: ₹Nil) having interest rate ranging between 8.75 % - 12.00% p.a.

Loans repayable on demand are secured by first pari passu charge on all current assets of the Company including inventories and receivables both present and future and also secured by second pari passu charge on movable and immovable Property (Except Gurgaon property), plant and equipment's of the Company both present and future having a balance as at 31 March 2026 amounting to ₹1,50,000 lakhs (31 March 2025: ₹7,100 lakhs). These facilities carry variable interest rates based on respective banks rate and the interest rates are ranging in between 8.50% p.a. - 8.75% p.a (31 March 2025: 8.50% - 15% p.a).

During the year, 37,60,00,000 Optionally Convertible Debentures (OCDs) of face value ₹10 each were converted into equity shares in favour of the Holding Company as per the conversion ratio of 1:1. 23,00,00,000 OCDs remain unconverted as on 31 March 2026. The OCD holder at his option can convert the OCDs into equity shares on or before 04 October 2044 by giving a written notice to the company . The OCD shall not carry any voting right.

Interest rate for the term loans are ranging between 8.20 % and 10.50 %

3.11 THE INFORMATION REQUIRED TO BE DISCLOSED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The information has been given in respect of Vendors to the extent they could be identified as "Micro and Small Enterprises" on the basis of information available with the company.

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) The principal amount remaining unpaid to any supplier as at the end of the year (refer note 3.11)	2,773	2,939
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	66	45
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year		
- interest paid	413	1,910
- payment to suppliers	2,843	27,508
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(e) Amount of Interest accrued and remaining unpaid at the end of the year	129	413
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	129	413

3.12 SEGMENT REPORTING

The Company is primarily engaged in the manufacturing of automotive components for two wheelers and four wheelers vehicle industry. The Company's Board of Director's has been identified as Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards.

Notes to Financial Statements

for the year ended March 31, 2026

The operating segment of the Company is identified to be "Automotive Components" as the CODM reviews business performance at an overall Company level as one segment.

A. Information about major customers comprising more than 10% of total revenue

Revenue from customers individually contributing more than 10% of total revenue of the Company amounts to ₹80,222 lakhs (for the year ended March 31, 2025: ₹68,671 lakhs).

3.13 DISCLOSURES RELATED TO GOVERNMENT GRANT

The government grants/assistance recognised are as under:

(₹ in Lakhs)

Nature of Grant/assistance	Income/ Expense head	Year ended March 31, 2026	Year ended March 31, 2025
Subvention on interest subsidy*	Finance costs	-	5
Subsidy on account of Remission of Duties and Taxes on Exported Products (RoDTEP)	Other operating income	227	62
Duty drawback received	Other operating income	232	323
Grant received on account of EPCG	Other operating income	839	640

* Interest subsidy on packing credit loans.

3.14 DISCLOSURE UNDER IND AS 116 – AS LESSEE

3.14 a Company as Lessee

(i) Following are the changes in the carrying value of right of use assets.

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening	1,974	2,094
Additions	1,680	-
Amortisation expense	(260)	(120)
Deletions	-	-
Closing Balance	3,394	1,974

(ii) The aggregate amortization expense on ROU assets is included under 'Depreciation, amortization and impairment expense' in the Statement of Profit and Loss.

(iii) The following is the break-up of current and non-current lease liabilities :

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	584	104
Non-current lease liabilities	970	-
Total	1,554	104

Notes to Financial Statements

for the year ended March 31, 2026

(i) The following is the movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	104	203
Additions	1,680	-
Deletions	-	-
Interest Accretion	42	21
Repayment	(272)	(120)
Closing Balance	1,554	104

(ii) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than 1 year	699	104
Later than 1 year but not later than 5 years	1,050	-
Later than 5 years	-	-
Total	1,749	104

The following are amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation charge on right of use assets	260	120
Interest expense on lease liabilities	42	21
Total	302	141

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rental expense for short term leases	907	517
Total	907	517

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

As at March 31, 2026, there is no potential future cash outflows that have not been considered in lease liability as there is no reasonable uncertainty that the leases will be extended (or not terminated).

3.14 b Company as lessor

The Company has provided its space within the factory on operating lease for which it has recognised rental income of ₹89 Lakhs (31 March 2025: ₹90 Lakhs) under the head "Rental income". The below are the future minimum lease rentals under operating lease:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Within one year	89	89
After one year but not more than five years	126	37

Notes to Financial Statements

for the year ended March 31, 2026

3.15 RATIO ANALYSIS

Particulars	Units	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change from March 31, 2025 to March 31, 2026	Reason for more than 25% Change
Current Ratio	Times	Current Asset	Current Liability	0.75	0.79	-5%	Not Significant
Debt-Equity Ratio	Times	Debt	Equity	2.88	3.47	-17%	Not Significant
Debt Service Coverage ratio	Times	Earning Available for Debt Service	Debt Service	0.56	(0.57)	-199%	The ratio has improved during the current year mainly due to better earnings available for debt servicing as compared to the previous year, resulting in increased debt servicing capacity of the Company.
Inventory Turnover ratio	Times	Cost of Goods Sold	Average Inventory	3.71	3.85	-4%	Not Significant
Trade Receivable Turnover Ratio	Times	Total Sales	Average Receivables	7.81	8.14	-4%	Not Significant
Trade Payable Turnover Ratio	Times	Total purchases	Average Payable	3.11	2.25	38%	The increase in the ratio during the current year is mainly due to reduction in average trade payable balances and improvement in payable turnover cycle as compared to the previous year.
Net Capital Turnover Ratio	Times	Revenue from operation	Average Working Capital	(10.73)	(2.74)	291%	The change in the ratio is due to increase in current ratio of the Company and revenue of the company.
Net Profit ratio	Percentage	Profit after tax	Revenue from operation	-3%	-4%	-33%	The Change in Ratio is on account of reduction in loss incurred during the current year vis a vis the previous year
Return on Equity ratio	Percentage	Profit after tax	Average Shareholders Equity	-26%	-33%	-21%	The Change in Ratio is on account of reduction in loss incurred during the current year vis a vis the previous year and increase in share capital during the year
Return on Capital Employed	Percentage	EBIT	Capital Employed	4%	-19%	-123%	The Change in Ratio is on account of reduction in loss incurred during the current year vis a vis the previous year and increase in share capital during the year
Return on Investment:							
- Shares	Percentage	Dividend Income	Average Invested Funds	0%	0%	0%	Not Significant
- Fixed Deposits	Percentage	Interest Income	Average Invested Funds	56%	3%	1548%	The increase in the ratio is mainly due to higher interest income earned on fixed deposits during the current year as compared to the previous year.

Notes to Financial Statements

for the year ended March 31, 2026

3.16 EXCEPTIONAL ITEMS

Exceptional items of ₹873 lakhs (31 March 2025 : 3,590 lakhs) represent net expenses incurred by the Company in relation to relocation of its Gurgaon facility and transfer of control to Craftsman Automation Limited, the holding company. These comprise

1. Costs incurred in relation to relocation of Gurgaon facility:

- A. Cost of Voluntary Retirement Scheme (VRS) and payments to employees opted the VRS – ₹511 lakhs (31 March 2025 : 18,219 lakhs)
- B. Costs related to shifting of corporate office and operations – ₹362 lakhs (31 March 2025 : 93 lakhs)

2. Transfer of control

- A. Gain on settlement of borrowings based on financial arrangements with lenders – ₹Nil (31 March 2025 : 16,044 lakhs)
- B. Professional fees paid to consultants engaged for transfer of ownership – ₹Nil (31 March 2025 : 1,322 lakhs)

3.17 ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at March 31, 2026	As at March 31, 2025
Freehold land (A)	14,400	14,400
Building (B)	3,524	3,524
Plant and Machinery (C)	442	-
Less: Accumulated depreciation (D)	(3,017)	(2,641)
Net value of buildings & Plant and machinery E= (B)-(C)-(D)	949	883
Total (A+E)	15,349	15,283

The closing balance comprises of land of ₹14,400 Lakhs, and Building of ₹883 Lakhs held at Gurgaon, Haryana. The Board of Directors in their meeting held on 22nd January 2025 have resolved to dispose of the Land including building held by the Company at 38/6 K.M Stone Delhi-Jaipur Highway, Narshinghpur, Gurgaon-122001 measuring 16.184 acres. Accordingly, this has been classified as Assets held for sale. Further, the Assets held for sale includes Plant and Machinery of ₹66 Lakhs.

These assets are available for sale in their present condition and the sale is highly probable.

These assets have been measured at the lower of their carrying amount and fair value less costs to sell. No depreciation has been charged on these assets from the date of classification as assets held for sale

3.18 OTHER STATUTORY INFORMATION

Disclosure Requirements as notified by MCA pursuant to amended Schedule III

- a) According to proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the current year, the audit trail (edit logs) feature was not enabled at the database level for the accounting software to log any direct data changes, used for maintenance of all accounting records by the Company. Audit trail (edit log) is enabled for the said software at the application level except for tracking certain table level and master level changes in the application.

The audit trail feature at application level for the software used for preparation of salary sheets and maintenance of employee master could not be demonstrated. Further, the audit trail (edit logs) feature at the database level was not enabled for all relevant database tables.

Notes to Financial Statements

for the year ended March 31, 2026

b) Loan, Advances & Investments made or received-Rule 11(e)

During the year the Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds from any persons, entities, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (Previous year- Nil)

c) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

d) The Company has not been declared as wilful defaulter by any bank or financial Institution or Government authorities or other lender.

e) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the loans availed during the year are in agreement with the books of accounts.

f) The Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act.

g) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the year (Previous year- Nil)

h) There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

i) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the year end.

j) The Board of Directors on March 11, 2026 have approved a Composite Scheme of Arrangement. The scheme envisages Amalgamation of DR Axion India Limited (**DRAIL**) into Sunbeam Lightweighting Solutions Limited, subject to receipt of approval from National Company Law Tribunal. The appointed date being considered in the proposed scheme is 1st April 2026. As at March 31, 2026, the approval from the NCLT is awaited.

The scheme also envisages Amalgamation of Suprash Developers Private Limited (**Subsidiary of DRAIL**) with DR Axion India Limited and also Srikara Technologies Private Limited (**Step-Down Subsidiary of DRAIL**) with DR Axion India Limited, as both the Subsidiary and Step-down subsidiary are engaged in holding land parcels which have been leased to DR Axion India Limited for the development and expansion of its manufacturing facilities, subject to receipt of approval from National Company Law Tribunal. The appointed date being considered in the proposed scheme is December 19, 2025. As at March 31, 2026, the approval from the NCLT is awaited.

The consolidation is also expected to simplify the corporate structure and improve managerial focus and operational efficiency.

k) The Company has nothing to report on Layers of Investment.

Notes to Financial Statements

for the year ended March 31, 2026

- l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2026 (Previous year- Nil)
- m) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- n) In the opinion of the Board of Directors and to the best of their knowledge and belief the value on realisation of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- o) During the year, the Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year
- p) The title deeds of immovable property disclosed in the financial statements are held in the name of the Company.
- q) All the amounts have been rounded off to the nearest Lakhs. Amounts below the rounding off norms adopted by the Company are disclosed as "0".
- r) Certain comparative figures have been reclassified to conform to the current year presentation.

3.19 No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements by the board of directors other than those disclosed under respective notes, if any.

The financial statements were approved for issue by the board of directors on April 25, 2026.

For **SHARP & TANNAN**
Chartered Accounts
Firm Registration No. 003792S

V. Viswanathan
Partner
Membership No. 215565

Place : Coimbatore
Date : April 25, 2026

For and on behalf of the Board of Directors of
Sunbeam Lightweighting Solutions Limited

Ravi Gauthamram
Non-Executive Director
DIN : 06789004
Place : Coimbatore

Shainshad Aduvanni
Company Secretary
M.No. A27895
Place : Coimbatore
Date : April 25, 2026

Morri Sampath Kumar
Non-Executive Director
DIN : 10945311
Place : Coimbatore

Jagdeep Singh Oberoi
Chief Financial Officer and Manager
Place : Gurugram