Deloitte Haskins & Sells

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INDEPENDENT AUDITOR'S REPORT

To The Members of Fitwel Tools and Forgings Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fitwel Tools and Forgings Private Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit and other comprehensive income, its cash flows and the 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

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

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

- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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

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

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

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

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- 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 financial controls 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 Section 143(3) of the Act, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with retention of audit trail as sated in (i)(vi) below.

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 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) The modification relating to the maintenance of accounts and other matters connected there with, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements

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h) With respect to the 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements.

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

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

iv.

(a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 50(c) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 50(d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, 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 and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software system for maintaining its books of account for the financial year ended 31 March 2026 which have the 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.

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Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of the accounting software for the period for which the audit trail feature was operating.

Additionally, the audit trail that was enabled and operated in respect of the accounting software used for maintaining books of accounts for the years ended March 31, 2024 and March 31, 2025 has been preserved by the Company as per statutory requirements for record retention except for the period April 01, 2024 to May 20, 2024 where the audit trail feature was not enabled by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 26047840YQVHQO7477

Date: 18 May 2026
Place: Bengaluru
Ref: MP/MS/VJ/2026

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **Fitwel Tools and Forgings Private Limited** (the "Company") as at 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's and Board of Director's Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions

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of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to , the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to financial statements 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 26047840YQVHQO7477

Date: 18 May 2026
Place: Bengaluru
Ref: MP/MS/VJ/2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(i) In respect of property, plant and equipment and intangible assets:

(a)

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress.

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

(b) The Company has a program of verification of property, plant and equipment, including capital work in-progress, so to cover all the items once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of the property	Gross carrying value (in Millions INR)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Unit No.5, KHT Complex, Anthrasanahalli, Tumkur-572106	2.01	Karnataka State Small Industries Development Corporation Ltd (KSSIDC)	No	39 years	The Company was allotted land on a lease cum sale basis for a period of 4 years w.e.f. 8 January 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence the Company retained possession of the land. Pursuant to the subsequent communications, the Company had paid consideration for land which had been capitalized. The Company awaits the final approval of KSSIDC as on date.

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(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 March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The inventories (except for goods-in-transit and stock held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stock held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received/ delivered subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns (as revised) and statements (comprising of stock statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed, except in cases where the Company is in the process of filing revised returns with such banks or financial institutions.

(iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

Particulars	Loans (in Millions INR)
A. Aggregate amount granted/ provided during the year:	
- Employees	5.55
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Employees	2.69

The Company has not provided any guarantee or security to any other entity during the year

(b) The terms and conditions of the grant of all the above-mentioned loans provided, during the year are, in our opinion, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayment of principal are regular as per stipulation.

(d) According to the information and explanation given to us and based on the audit procedures performed in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at balance sheet date.

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(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and based on the audit procedure performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of payment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act 2013, in respect of loan granted.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, 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) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employee's State Insurance, Income-tax, Sales tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the company have generally been deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) Details of Statutory dues referred to sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of Statue	Nature of dues	Total amount involved (Rs. in Million)	Amount unpaid (Rs. in Million)	Period (FY) to which the amount relates	Forum where dispute is pending
The CGST Act, 2017/ SGST Act, 2017/IGST Act, 2017	Goods and service tax (including interest and penalty)	0.75	0.75	April 2018 to March 2019	Commissioner of Tax (Appeals), Bangalore
		3.93	3.93	April 2019 to March 2020	
		8.29	8.29	April 2021 to March 2022	
		3.87	3.87	April 2021 to March 2024	
		3.11	3.11	April 2023 to March 2024	

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year, except as under:

Nature of borrowing	**Name of lender**	**Amount not paid on due date (Rs. in million)**	**Whether principal or interest**	**No. of days delay or unpaid**	**Amount Remaining unpaid as at the Balance Sheet date**	**Amount paid till the date of report**	**Remarks, if any**
Term Loan	Axis Bank	2.31	Principal	4	-	-	Operational issues

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes 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, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary and associate or joint venture during the year, hence reporting under clause 3(ix)(e) of the order is not applicable

(f) The Company did not have any subsidiary and associate or joint venture during the year, hence reporting under clause 3(ix)(f) of the order is not applicable

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including the debt instrument) 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 partially or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.

(xi)

(a) We have been informed by the Company that certain employees of the Company had misappropriated funds amounting to Rs. 91.21 million over the financial years 2019-20 to 2024-25. Investigations are concluded and the Company is in the process of recovering such losses from the employees. Refer note 48 to the financial statements. Based on the information and explanations provided to us, no fraud by the Company has been noticed or reported during the year.

(b) To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, upto the date of this report [for the matter reported in clause (xi)(a) above)].

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(c) As represented to us by the Management, whistle-blower complaints were received by the Company during the year, which were considered and addressed in relation to the fraud identified.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(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 issued to the Company during the year and covering the period upto March 31, 2026.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the order is not applicable.

(b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(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 realization 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)

(a) According to the information and explanation given to us, in respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the said financial year in compliance with second proviso to sub- section (5) of section 135 of the said Act.

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(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Monisha Parikh
Partner
(Membership No.047840)
UDIN: 26047840YQVHQO7477

Place: Bengaluru
Date: 18 May 2026
Ref: MP/MS/VJ/2026

Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
Balance Sheet as at March 31, 2026

(Amount in ₹ millions)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3.a	791.10	704.43
Capital work-in-progress	3.b	65.03	70.58
Intangible assets	3.c	3.28	3.03
Financial assets			
(i) Loans	4	1.55	1.94
(ii) Other financial assets	5	24.70	24.88
Tax assets (net)	6.a	22.52	20.36
Other non-current assets	7	37.13	43.67
Total non-current assets		**945.31**	**868.89**
Current assets			
Inventories	8	345.02	307.60
Financial assets			
(i) Trade receivables	9	251.61	269.35
(ii) Cash and cash equivalents	10	42.87	0.03
(iii) Bank balances other than cash and cash equivalents	11	7.00	3.03
(iv) Loans	12	3.67	3.87
(v) Other financial assets	13	-	4.27
Other current assets	14	5.96	8.98
Assets classified as held for sale	15	32.08	-
Total current assets		**688.21**	**597.13**
Total Assets		**1,633.52**	**1,466.02**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	3.56	3.56
Other equity	17	668.54	575.20
Total equity		**672.10**	**578.76**
Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	18	-	138.72
Provisions	19	34.80	44.86
Deferred tax liabilities (net)	20	10.33	16.49
Total non-current liabilities		**45.13**	**200.07**
Current liabilities			
Financial Liabilities			
(i) Borrowings	21	574.02	331.50
(ii) Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		13.79	6.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises		294.11	296.22
(iii) Others financial liabilities	23	7.21	-
Other current liabilities	24	11.57	34.17
Provisions	25	15.59	14.35
Current tax liabilities (net)	6.b	-	4.38
Total current liabilities		**916.29**	**687.19**
Total liabilities		**961.42**	**887.26**
Total Equity and Liabilities		**1,633.52**	**1,466.02**

Summary of material accounting policies — 2
See accompanying notes forming part of the financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No: 047840)

Place: Bengaluru
Date: 18 May 2026

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D S Ananth
Managing Director
DIN: 03414505

Satyanarayan Patel
Director
DIN: 10668044

Place: Bengaluru
Date: 18 May 2026

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
Statement of Profit and Loss for the year ended March 31, 2026

(Amount in ₹ millions)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	26	2,285.97	1,974.79
Other income	27	45.38	1.85
Total Income		**2,331.35**	**1,976.64**
Expenses			
Cost of material consumed	28	1,135.67	993.80
Changes in inventories of finished goods and work-in-progress	29	9.56	(15.52)
Employee benefits expenses	30	297.69	270.29
Finance costs	31	52.17	45.31
Depreciation and amortisation expenses	32	117.45	105.77
Other expenses	33	581.10	485.38
Total expenses		**2,193.64**	**1,885.03**
Profit before exceptional items and tax		**137.71**	**91.61**
Exceptional items	38	4.79	-
Profit before tax		**132.92**	**91.61**
Tax expense:	39		
Current tax		40.43	30.73
Tax relating to prior years		5.94	3.48
Deferred tax		(6.34)	0.17
Total tax expense		**40.03**	**34.38**
Profit for the year		**92.89**	**57.23**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the net defined benefit liability	38	0.64	(14.31)
Income tax relating to items that will not be reclassed to profit or loss		(0.19)	4.17
Other Comprehensive Income/(Loss) for the year, net of income tax		**0.45**	**(10.14)**
Total Comprehensive Income for the year		**93.34**	**47.09**
Earnings per equity share (face value of ₹ 10 each)			
Basic (in ₹)	34	261.25	160.96
Diluted (in ₹)	34	261.25	160.96

Summary of material accounting policies 2
See accompanying notes forming part of the financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
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DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
Statement of Cash Flows for the year ended March 31, 2026

(Amount in ₹ millions)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities			
Profit before tax		132.92	91.61
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	32	117.45	105.77
Interest income	27	(0.95)	(0.85)
Finance costs	31	52.17	45.31
(Gain)/Loss on disposal of property, plant and equipments, net	27	-	(1.00)
Loss Allowance on trade receivables	33	12.06	5.20
Miscellaneous Income		(29.80)	
Operating cash flows before working capital changes		**283.85**	**246.04**
Working capital adjustments:			
Decrease/(increase) in trade receivables		5.68	(86.38)
Decrease/(increase) in loans, other financial assets and other assets		5.29	(1.72)
Decrease/(increase) in inventories		(37.42)	(5.39)
Increase/(decrease) in trade payables		4.09	50.79
Increase/(decrease) in other liabilities		(22.60)	22.88
Increase/(decrease) in provisions		(8.18)	10.69
Cash generated from operations		**230.71**	**236.91**
Income taxes paid, net		(52.91)	(27.10)
Net cash generated from operating activities (A)		**177.80**	**209.81**
Cash flow from investing activities			
Payments for property, plant and equipment		(186.67)	(218.42)
Purchase of intangible assets		(0.99)	(1.42)
Proceeds from disposal of property, plant and equipment		-	1.75
Interest received		0.95	0.85
Movement in fixed deposits, net		(0.88)	(0.91)
Net cash used in investing activities (B)		**(187.59)**	**(218.15)**
Cash flows from financing activities			
Proceeds/(repayments) of non-current borrowings:			
Proceeds		88.00	117.30
Repayments		(67.68)	(59.48)
Proceeds/(repayments) of current borrowings, net		83.34	(4.95)
Interest paid	31	(51.03)	(44.54)
Net cash from financing activities (C)		**52.63**	**8.33**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**42.84**	**(0.01)**
Cash and cash equivalents at the beginning of the year	10	0.03	0.04
Cash and cash equivalents at the end of the year (refer below)	10	**42.87**	**0.03**

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash on hand		-	0.01
Balance with banks - on current accounts		42.87	0.02
Cash and cash equivalents at the end of the year		**42.87**	**0.03**

Above Statement of Cash Flows has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

Reconciliation of liabilities from financing activities:

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2025	Proceeds	Repayments	Additions/(Deletions)	March 31, 2026
Non current borrowings (including current maturities)	203.27	88.00	(67.68)	-	223.59
Current borrowings *	263.79	83.34	-	-	347.13
Interest	3.38	-	(51.03)	50.95	3.30

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED
Tumkur

Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
Statement of Cash Flows for the year ended March 31, 2026

(Amount in ₹ millions)

Particulars	Opening balance	Cash flows		Non-cash movements	Closing balance
	1 April 2024	Proceeds	Repayments	Additions/(Deletions)	March 31, 2025
Non current borrowings (including current maturities)	145.45	117.30	(59.48)	-	203.27
Current borrowings *	268.74	-	(4.95)	-	263.79
Interest	2.61	-	(44.54)	45.31	3.38

* Current borrowings are disclosed net of repayments/proceeds.

Summary of material accounting policies 2
See accompanying notes forming part of the financial statements
As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No: 047840)

Place: Bengaluru
Date: 18 May 2026

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D S Ananth
Managing Director
DIN: 03414505

Satyanarayan Patel
Director
DIN: 10668044

Place: Bengaluru
Date: 18 May 2026

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
Statement of changes in equity for the year ended March 31, 2026

A. Equity share capital **(Amount in ₹ millions)**

Equity shares	No. of shares	Amount
At April 01, 2025	3,55,556	3.56
Changes in equity share capital	-	-
Restated balance as at April 01, 2025	3,55,556	3.56
Changes in equity share capital	-	-
At March 31, 2026	3,55,556	3.56
At April 01, 2024	3,55,556	3.56
Changes in equity share capital	-	-
Restated balance as at April 01, 2024	3,55,556	3.56
Changes in equity share capital	-	-
At March 31, 2025	3,55,556	3.56

B. Other Equity **(Amount in ₹ millions)**

Particulars	Reserves and Surplus				Total equity
	Capital reserve	Securities premium	General reserve	Retained earnings	
At April 01, 2025	1.13	10.00	0.05	564.02	575.20
Profit for the year	-	-	-	92.89	92.89
Other Comprehensive Income:					
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	0.45	0.45
At March 31, 2026	1.13	10.00	0.05	657.36	668.54
At April 01, 2024	1.13	10.00	0.05	516.93	528.11
Profit for the year	-	-	-	57.23	57.23
Other Comprehensive Income:					
Remeasurement of the net defined benefit liability (Refer note below)	-	-	-	(10.14)	(10.14)
At March 31, 2025	1.13	10.00	0.05	564.02	575.20

In accordance with Notification G.S.R 404(E), dated 06 April 2016, as included in amended Schedule III, the Company has recognised remeasurement of defined benefit plans amounting to ₹ 0.45 million [March 31, 2025: ₹ (10.14) million] as a part of retained earnings.

Summary of material accounting policies 2
See accompanying notes forming part of the financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.: 008072S)

Monisha Parikh
Partner
(Membership No: 047840)

Place: Bengaluru
Date: 18 May 2026

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for **Fitwel Tools and Forgings Private Limited**
CIN: U29220KA1983PTC005690

D S Ananth
Managing Director
DIN: 03414505

Satyanarayan Patel
Director
DIN: 10668044

Place: Bengaluru
Date: 18 May 2026

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Company Overview

Fitwel Tools and Forgings Private Limited ("the Company") was incorporated on 17 November 1983 under the provisions of the Companies Act. 1956 with its registered office and principal place of business in Tumakuru, Karnataka. The Company is involved in the manufacturing of hand tools and forgings steel into parts used to manufacture automobile components.

1. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations;

d. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2026 is included in the following notes:

- Note 2.1, 2.2, 3.a and 3.c - Depreciation and amortisation method and useful lives of items of property, plant and equipment and intangibles assets:
- Note 20 – Recognition of deferred tax liabilities.
- Note 30 and 38– measurement of defined benefit obligations: key actuarial assumptions: and
- Note 40 – Impairment of financial assets.

DELOITTE HASKINS & SELLS BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

1. Basis of preparation (continued)

d. Measurement of fair values

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Note 40 - Financial instruments;

Fitwel Tools and Forgings Private Limited
Notes to the financial statements for the year ended 31 March 2026 (continued)

2. Material accounting policies

2.1 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the statement of profit and loss in the period in which these are incurred.

ii. Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Straight Line Method ("SLM") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Building	30
Plant and machinery	5-15
Furniture and fixtures	10
Electrical installations	10
Vehicles	8
Office equipment	5
Computer (including software)	3-6

Freehold land is not depreciated.

Material accounting policies (continued)

2.2 Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any.

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. Intangible assets are amortised in the statement of profit and loss over their estimated useful lives of 3-6 years on a straight-line basis.

2.3 Inventories

Inventories are measured at the lower of cost and net realisable value (NRV). Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw materials, stores and spares	:	on weighted average basis
Work in progress	:	includes cost of conversion
Finished goods	:	includes cost of conversion

i. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by-item basis. Spare parts that meet the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

ii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iii. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.4 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligation in contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Tumkur

Material accounting policies (continued)

2.4 Revenue recognition

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Revenue from sale of products (including sale of scrap) is recognised at the point when control is transferred to buyer.

Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognized when the related services are rendered unless significant future contingencies exist.

Export incentives are recognised in the statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of export made.

Dividend income is recognised in statement of profit and loss on the date on which the right to receive payment is established.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

2.5 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.6 Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Material accounting policies (continued)

ii. Classification and subsequent measurement

Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes other investments.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss (FVTPL). This includes all derivative assets and current investments.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense and are recognised in statement of profit and loss. Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement profit and loss.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS * BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED * Tumkur

Material accounting policies (continued)

2.7 Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

ii. Impairment of non - financial assets

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Company's non-financial assets, other than inventories and deferred tax 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Employee benefits

i. Defined benefit plan

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

Material accounting policies (continued)

2.8 Employee benefits (continued)

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

ii. Defined contribution plan

Provident fund

Provident fund is a post-employment benefit plan under which the Company makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the statement of profit and loss during the period in which the related services are rendered by the employees.

2.9 Income Taxes

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to statement of profit and loss. The Company reviews the same at each balance sheet date writes down the carrying amount of MAT credit entitlement, if any, to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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Material accounting policies (continued)

2.9 Income Taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.10 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

2.11 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

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. Contingent assets are neither recognised nor disclosed in the financial statements.

2.12 Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.
Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset.
- An active program to locate a buyer and complete the plan has been initiated (if applicable).

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Material accounting policies (continued)

- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Directors of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on single segment approach and accordingly, information has been presented.

2.15 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 13, 2025, the MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2025. This notification has led to amendments in the following Ind AS, which are applicable to the Company from April 1, 2026. The Company is currently evaluating the impact of these amendments on its financial statements.

Amended Ind AS:
Ind AS 1 – Presentation of Financial Statements
Ind AS 10 – Events After the Reporting Period

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Notes to the financial statements for the year ended March 31, 2026

3.a Property, Plant and Equipment

(Amount in ₹ millions)

Particulars	Owned Property, plant and equipment									Total
	Land (1)	Buildings (2)	Plant and machinery (3)	Furniture and fixtures (4)	Vehicles (5)	Office equipment (6)	Electrical installations (7)	Computers (8)	Leasehold land # (9)	
Gross carrying amount										
At April 01, 2024	42.42	95.98	723.36	10.25	12.97	4.79	60.79	16.32	2.01	968.89
Additions	23.75	65.25	115.55	-	-	0.15	2.23	0.76	-	207.69
Disposals	-	-	(20.52)	-	-	(0.40)	-	(0.39)	-	(21.31)
At March 31, 2025	66.17	161.23	818.39	10.25	12.97	4.54	63.02	16.69	2.01	1,155.27
Additions	17.83	2.90	166.96	0.19	-	0.85	13.21	1.44	-	203.38
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2026	84.00	164.13	985.35	10.44	12.97	5.39	76.23	18.13	2.01	1,358.65
Accumulated depreciation										
At April 01, 2024	-	25.48	279.64	8.42	6.95	2.27	32.48	12.01	-	367.25
Depreciation charge for the year	-	5.52	87.56	0.66	1.16	0.77	5.33	3.15	-	104.15
Disposals	-	-	(19.77)	-	-	(0.40)	-	(0.39)	-	(20.56)
At March 31, 2025	-	31.00	347.43	9.08	8.11	2.64	37.81	14.77	-	450.84
Depreciation charge for the year	-	6.47	100.05	0.55	1.13	0.79	6.25	1.47	-	116.71
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2026	-	37.47	447.48	9.63	9.24	3.43	44.06	16.24	-	567.55
Carrying amounts (net)										
At March 31, 2026	84.00	126.66	537.87	0.81	3.73	1.96	32.17	1.89	2.01	791.10
At March 31, 2025	66.17	130.23	470.96	1.17	4.86	1.90	25.21	1.92	2.01	704.43

Notes:

Karnataka Small State Industrial Development Corporation (KSSIDC) has allotted land of 4,257 square meter at Unit No. 5, KIIT Complex, Antarasanahalli, Tumkur, Karnataka on a lease cum sale basis for a period of 4 years w.e.f. 8 January 1987, with specified terms and conditions to be complied with by each party. Subsequently, KSSIDC failed to comply with the terms of the agreement, hence the Company retained possession of the land. Pursuant to the communications with the KSSIDC, the Company has paid an amount of ₹ 2.01 million as consideration for the land, which has been capitalised. As at the balance sheet date, negotiations are in progress and the Company awaits the final approval of KSSIDC with respect to registration of the land in the name of the Company.

The Company has not recognised or reversed any impairment loss on property, plant and equipment.

There were no revaluation to property, plant and equipment during 2025-26 and 2024-25.

Refer note 18 for details of charge over the Company's property, plant and equipment for the borrowings taken by the Company.

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(Amount in ₹ millions)

3.b Capital-work-in progress (CWIP) aging schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in-progress					
At March 31, 2026	56.40	8.35	0.28	-	**65.03**
At March 31, 2025	65.05	5.42	0.11	-	**70.58**

There are no projects which are under suspension. With regard to the ongoing projects, there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, considering amendments as may be approved.

3.c Intangible Assets

Particulars	Owned intangible asset	
	Computer	Total
Gross carrying amount		
At April 01, 2024	9.98	9.98
Additions	1.42	1.42
Disposals	-	-
At March 31, 2025	**11.40**	**11.40**
Additions	0.99	0.99
Disposals	-	-
At March 31, 2026	**12.39**	**12.39**
Accumulated amortisation		
At April 01, 2024	6.75	6.75
Amortisation for the year	1.62	1.62
Disposals	-	-
At March 31, 2025	**8.37**	**8.37**
Amortisation for the year	0.74	0.74
Disposals	-	-
At March 31, 2026	**9.11**	**9.11**
Carrying amounts (net)		
At March 31, 2026	**3.28**	**3.28**
At March 31, 2025	**3.03**	**3.03**

Note: There were no revaluation to intangible assets during 2025-26 and 2024-25.

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(Amount in ₹ millions)

4 Loans (Non-current)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans to Key Managerial Personnel (refer note 12 and note 37)	0.93	1.13
Loans to employees	0.62	0.81
Total	**1.55**	**1.94**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Directors	1.54	29.50%
Less: Disclosed under current portion	(0.61)	
Non current portion	0.93	

5 Other financial assets (Non-current)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits (Unsecured, considered good)	19.16	16.25
Bank deposits with more than 12 months maturity *	5.54	8.63
Total	**24.70**	**24.88**

* Represents deposits pledged against bank guarantees and letter of credits provided by the bank.

6.a Current tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax including tax deducted at source, net of provision of ₹168.35 million (March 31, 2025 ₹124.18 million)	22.52	20.36
Total	**22.52**	**20.36**

6.b Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax, net of advance tax including tax deducted at source of ₹ 170.34 million (March 31, 2025 ₹ 69.27 million)	-	4.38
Total	-	**4.38**

7 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	35.76	41.98
Prepayments	0.88	1.65
Duty paid under protest	0.49	0.04
Total	**37.13**	**43.67**

8 Inventories (valued at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	117.00	82.34
Work in progress	157.08	162.41
Finished goods *	17.24	21.47
Stores and spares	53.70	41.38
Total	**345.02**	**307.60**
Less: Provision for obsolete Inventory	-	-
Total	**345.02**	**307.60**

* Includes stock in transit of ₹6.15 million (March 31, 2025 ₹11.32 million)

a) Amount of inventories recognized as an expense is ₹ Nil (Financial year 2024-25 ₹ Nil)
b) Write-down of the inventories to net realisable value was ₹ Nil (Financial year 2024-25 ₹ Nil)

The mode of valuation of inventories has been stated in note 2.4

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FITWEL TOOLS & FORGINGS PRIVATE LIMITED Tumkur

(Amount in ₹ millions)

9 Trade receivables

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Considered good - Secured	-	-
Considered good - Unsecured *	268.87	274.55
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	**268.87**	**274.55**
Less: Loss Allowance on receivables	17.26	5.20
Trade receivables	**251.61**	**269.35**

* Includes receivables from related parties refer note 37.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 41.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Trade receivables ageing schedule

Particulars	**Outstanding for following periods from due date of payment**						
	Not Due	**Less than 6 months**	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2026							
(i) Undisputed Trade Receivables - considered good	217.19	38.36	3.39	8.15	1.67	0.11	268.87
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**217.19**	**38.36**	**3.39**	**8.15**	**1.67**	**0.11**	**268.87**
Less: Allowance for credit losses							17.26
Trade receivables							**251.61**
As at March 31, 2025							
(i) Undisputed Trade Receivables - considered good	234.07	35.04	3.37	1.96	0.11	-	274.55
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**234.07**	**35.04**	**3.37**	**1.96**	**0.11**	-	**274.55**
Less: Allowance for credit losses							5.20
Trade receivables							**269.35**

10 Cash and cash equivalents

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Balance with banks		
On current accounts*	42.87	0.02
Cash on hand	-	0.01
Total	**42.87**	**0.03**

* Includes balance in unspent CSR Account of ₹2.01 million as at March 31, 2026 (March 31, 2025: ₹0.02 million)

11 Bank balances other than cash and cash equivalents

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Bank deposits within 12 months maturity *	7.00	3.03
Total	**7.00**	**3.03**

* Represents deposits pledged against bank guarantees and letter of credits provided by the bank

12 Loans (Current)

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Unsecured, considered good		
Loans to Key Managerial Personnel (refer note 4 and note 37)	[illegible]	[illegible]
Loans to employees	[illegible]	[illegible]
Total	3.67	3.87

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(Amount in ₹ millions)

13 Other financial assets (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Unbilled revenue *	-	4.27
Total	-	4.27

* Unbilled revenue represents revenue recognised in excess of invoicing towards price increases, where there is an unconditional right to receive consideration, and only act of invoicing is pending.

14 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers	2.74	4.04
Prepayments	3.22	4.94
Total	5.96	8.98

15 Assets classified as held for sale

Particulars	As at March 31, 2026	As at March 31, 2025
Land and Building	32.08	-
	32.08	-

During the year, the Company received an anonymous whistleblower complaint alleging misappropriation of funds by certain employees. Pursuant to the complaint, the Company conducted an investigation with the assistance of an independent external consultant and identified fraudulent payments amounting to INR 91.21 million over the years from 2019-20 to 2024-25, of which Rs.18.95 million is charged off to the Statement of Profit and Loss during the year ended March 31, 2026 (the remaining amounts were already expensed off to the Statement of Profit and Loss in the earlier years).

The Company initiated recovery proceedings against the alleged former employees by filing a compliant with the police authorities and has recovered Rs. 14.63 million in cash and properties valued at Rs. 29.80 million, which have been recognized under "Other Income" in the financial statements. These properties have been classified as "Assets Held for Sale" in the financial statements. The Company is pursuing further recoveries from the alleged parties.

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(Amount in ₹ millions)

16 Equity share capital

(i)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
Equity Shares		
1,500,000 (March 31, 2025: 1,500,000) equity shares of ₹ 10 each (March 31, 2025 ₹ 10 each)	15.00	15.00
Total	**15.00**	**15.00**
Issued, subscribed and paid up share capital		
Equity shares		
355,556 (March 31, 2025: 355,556) equity shares of ₹ 10 each (March 31, 2025 ₹ 10 each)	3.56	3.56
Total	**3.56**	**3.56**

(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Number of shares outstanding at the beginning of the year	3,55,556	3.56	3,55,556	3.56
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	**3,55,556**	**3.56**	**3,55,556**	**3.56**

(iii) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Equity shares				
Sansera Engineering Limited (Holding Company)	2,48,872	2.49	2,48,872	2.49
Total	**2,48,872**	**2.49**	**2,48,872**	**2.49**

(v) List of persons holding more than 5 percent shares in equity shares of the Company

Name of the share holder	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Sansera Engineering Limited	2,48,872	70.00%	2,48,872	70.00%
D.S. Ananth	42,000	11.81%	42,000	11.81%
D.L. Shakunthala	19,684	5.54%	19,684	5.54%

(vi) (a) There have been no shares allotted as fully paid up by way of bonus shares or shares allotted as fully paid up pursuant to contract without payment being received in cash during five years immediately preceding March 31, 2026.

(b) There are no shares bought back during 5 years immediately preceding March 31, 2026.

(vii) Shareholding of Promoters in equity shares of the Company

March 31, 2026

Promoter name	Shares held by promoters at the end of the year		% of total shares	% Change during the year
	No. of Shares as on March 31, 2026	No. of Shares as on March 31, 2025		
D.S. Ananth	42,000	42,000	11.81%	0%
D.L. Shakunthala	19,684	19,684	5.54%	0%
D.S. Shaila	11,000	11,000	3.09%	0%
D.N. Nagakumar	10,000	10,000	2.81%	0%
Bhavana Ananth	10,000	10,000	2.81%	0%
Shiva C Kumar	10,000	10,000	2.81%	0%
D.N. Jayaram	2,000	2,000	0.56%	0%
D.N. Ram Mohan	2,000	2,000	0.56%	0%
Total	**1,06,684**	**1,06,684**	**29.99%**	

March 31, 2025

Promoter name	Shares held by promoters at the end of the year		% of total shares	% Change during the year
	No. of Shares as on March 31, 2025	No. of Shares as on March 31, 2024		
D.S. Ananth	42,000	42,000	11.81%	0%
D.L. Shakunthala	19,684	19,684	5.54%	0%
D.S. Shaila	11,000	11,000	3.09%	0%
D.N. Nagakumar	10,000	10,000	2.81%	0%
Bhavana Ananth	10,000	10,000	2.81%	0%
Shiva C Kumar	10,000	10,000	2.81%	0%
D.N. Jayaram	2,000	2,000	0.56%	0%
D.N. Ram Mohan	2,000	2,000	0.56%	0%
Total	**1,06,684**	**1,06,684**	**29.99%**	

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(Amount in ₹ millions)

17 Other equity

Summary of other equity balances *

Particulars	As at March 31, 2026	As at March 31, 2025
Reserves and surplus		
Capital reserve	1.13	1.13
Securities premium	10.00	10.00
General reserve	0.05	0.05
Retained earnings	657.36	564.02
Total	**668.54**	**575.20**

* refer statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of other equity:

Capital reserve
Capital reserve of ₹ 1.13 million refers to the subsidy received from the Government of Karnataka, Department of Industries and Commerce

Securities premium
Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with specific provision of the Companies Act, 2013.

General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

18 Borrowings (Non-current)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured at amortised cost		
Term loans from banks	-	138.72
Total	-	**138.72**

Term loans from bank and others amounting to ₹223.59 million (March 31, 2025: ₹203.27 million) are secured by hypothecation and mortgage of all present and future movable and immovable property, plant and equipment including plant and machinery, furniture and fixtures, and other equipment of the Company. Further secured through comfort letter from Sansera Engineering Limited (Holding Company).

The Company is in the process of registering reconciling charges with Registrar of Companies with the oustanding borrowings.
The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

Repayment and interest terms

i. Term loans from banks:

Repayment and interest terms	Name of the Lender	Security	As at March 31, 2026	As at March 31, 2025
Repayable in 54 monthly instalments of ₹1.11 million per month starting from July 2022 and to be settled by December 2027. The loan carries a interest rate of 7.85% p.a.	HDFC Bank	Secured by first pari-passu charge on certain property immovable assets and movable assets and secured by second pari-passu charge on current assets i.e., inventories and receivables, both present and future, of the Company.	23.33	36.84
Repayable in 54 monthly instalments of ₹1.52 million per month starting from April 2023 and to be settled by September 2028. The loan carries a interest rate of 7.12% p.a.			45.66	63.93
Repayable in 54 monthly instalments of ₹1.48 million per month starting from April 2025 and to be settled by September 2029. The loan carries a interest rate of 7.53% p.a.			62.22	80.00
Repayable in 54 monthly instalments of ₹1.63 million per month starting from February 2026 and to be settled by July 2030. The loan carries a interest rate of 7.75% p.a.			84.88	-
Repayable in 16 quarterly instalments of ₹3.75 million per quarter starting from December 2022 and to be settled by September 2026. The loan carries a interest rate of 9.50% p.a.	Axis Bank	Secured by first pari-passu charge on certain property immovable assets and movable fixed assets, both present and future, and secured by second pari-passu charge on current assets including receivables, both present and future	7.50	22.50
Total			**223.59**	**203.27**
Less: Current maturities (refer note 21)			(223.59)	(64.55)
Non-current			-	**138.72**

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ii. Car Loans from banks

Repayment and interest terms	Name of the Lender	Security	As at March 31, 2026	As at March 31, 2025
Repayable in 39 monthly instalments of ₹0.03 million per month starting from July 2022 and to be settled by September 2025. The loan carries a interest rate of 9.00% p.a.	HDFC Bank	Secured by certain movable property, plant and equipment	-	0.17
Total			-	**0.17**
Less: Current maturities (refer note 21)			-	(0.17)
Non-current			-	-

The Company has not complied with certain financial covenants relating to the maintenance of the current ratio as stipulated by the lenders. The Company is currently in discussions with the bankers for revision/waiver of the said covenant. Pursuant to the breach of the covenant conditions, the related borrowings have been classified as current borrowings.

The Company defaulted on the repayment of Axis Bank loans amounting to Rs. 2.31 million due to operational issues for a period of 4 days. The default was subsequently rectified.

19 Provisions (Non-Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity (refer note 38)	34.80	44.86
Total	**34.80**	**44.86**

20 Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset on		
Provision for employee benefits	14.86	17.24
Security deposit	-	-
Right of use assets, net of lease liabilities (Ind AS 116)	-	-
Deductions allowed on payment basis	14.89	3.76
Total (a)	**29.75**	**21.00**
Deferred tax liabilities on		
Property, plant and equipment	40.08	37.49
Total (b)	**40.08**	**37.49**
Deferred tax liabilities (net) (b-a)	**10.33**	**16.49**

21 Borrowings (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans from banks - Secured-at amortised cost		
Cash credit	42.23	56.27
Working capital loan	304.90	207.52
Current maturities of long-term debt* (refer note 18)	223.59	64.55
Interest accrued on borrowings	3.30	3.16
Total	**574.02**	**331.50**

Working capital loan from banks amounting to ₹304.90 million (March 31, 2025: ₹207.52 million) are secured by hypothecation of current assets, moveable and immovable property, plant and equipment of the Company.

Working capital loan carries an average interest rate of 8.02% p.a.

The quarterly returns or statements filed (as revised wherever applicable) by the Company for working capital limits with such banks and financial institutions are in agreement with the books of account of the Company.

* The Company's exposure to currency and liquidity risk related to other current financial liabilities are disclosed in note 40

22 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues to micro enterprises and small enterprises (refer note 45)	13.79	6.57
Total outstanding dues other than to micro enterprises and small enterprises	294.11	296.22
Total	**307.90**	**302.79**

Note: The Company's exposure to currency and liquidity risk related to trade payables are disclosed in note 41.

The average credit period on purchase of goods are 45 days. No interest is charged on the trade payable. The Company has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

Expenses accrued towards goods and services received has been classified under trade payables instead of other financial liabilities.

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(Amount in ₹ millions)

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026						
Micro, small and medium enterprises (MSME) - Undisputed	13.21	0.58	-	-	-	13.79
Others - Undisputed	271.00	23.11	-	-	-	294.11
Total	284.21	23.69	-	-	-	307.90
As at March 31, 2025						
Micro, small and medium enterprises (MSME) - Undisputed	4.64	1.93	-	-	-	6.57
Others - Undisputed	201.98	94.16	-	-	-	296.14
Total	206.62	96.09	-	-	-	302.71

23 Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Capital creditors	7.21	-
Total	7.21	-

24 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers	0.09	22.13
Statutory liabilities	11.48	12.04
Total	11.57	34.17

25 Provisions (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity (refer note 38)	5.76	7.28
Provision for compensated absences (refer note 38)	9.83	7.07
Total	15.59	14.35

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26 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	2,063.08	1,789.28
Sale of services	45.71	15.57
Sub-total	**2,108.79**	**1,804.85**
Other operating revenues:		
Scrap sales	168.88	158.34
Tooling income	8.30	11.60
Total	**2,285.97**	**1,974.79**

A. Disaggregation of Revenue from contracts with customers:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
- India	2,063.08	1,789.28
Sale of services		
- India	45.71	15.57
Sale of scrap		
- India	168.88	158.34
Tooling income		
- India	8.30	11.60
Total revenue from contracts with customers		
- India	2,285.97	1,974.79

B. Revenue recognised by contracts with customers:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total revenue from contract with customers	2,285.97	1,974.79
Total	**2,285.97**	**1,974.79**

C. Timing of revenue recognition:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Good transferred at a point in time	2,277.67	1,963.19
Service transferred at a point in time	8.30	11.60
Total revenue from contract with customers	**2,285.97**	**1,974.79**

D. Contract balances:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables	251.61	269.35
Contract assets (Unbilled revenue)	-	4.27
Contract liabilities (Advance from customers)	0.09	22.13

E. The Company's revenue from its major products are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rocker Arm	407.91	377.44
Cam Shaft	246.88	223.01
Yokes	249.60	180.76
Gear Shifter	187.19	176.08
Connecting Rods	147.40	113.32
Barrel	95.05	82.96
Others*	729.05	635.71
Total	**2,063.08**	**1,789.28**

* Individual items of these are less than 5% of the total sale of products

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F. Contract liabilities:

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Balance at the beginning of the year	22.13	0.06
Revenue recognised during the year	(22.13)	(0.06)
Contract liabilities recognised during the year*	0.09	22.13
Balance at the end of the year	**0.09**	**22.13**

*Contract liabilities represent advances received from customers towards supplies.

27 Other income

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Interest income	0.95	0.85
Miscellaneous income (refer note 15)	44.43	-
Gain on disposal of property, plant and equipment, net	-	1.00
Total	**45.38**	**1.85**

28 Cost of materials consumed

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Raw materials at the beginning of the year	82.34	104.73
Add: Purchases	1,170.33	971.41
Less: Raw materials at the end of the year	117.00	82.34
Total	**1,135.67**	**993.80**

29 Changes in inventories of finished goods and work-in-progress

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Opening balance		
Finished goods (including stock in transit)	21.47	10.28
Work-in-progress	162.41	158.08
	183.88	**168.36**
Closing balance		
Finished goods (including stock in transit)	17.24	21.47
Work-in-progress	157.08	162.41
	174.32	**183.88**
Changes in inventories of finished goods and work-in-progress	**9.56**	**(15.52)**

30 Employee benefits expense

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Salaries and wages	242.37	227.00
Contribution to provident and other funds (Refer note 38)	23.30	15.14
Employee stock compensation expense (Refer note 44)	0.20	0.67
Staff welfare expenses	31.82	27.48
Total	**297.69**	**270.29**

Changes to Employee Benefits upon notification of Labour Codes The Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"). These Labour Codes, which have become effective from 21 November 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also, the Labour Codes have modified certain employee benefits and eligibility conditions in respect of those benefits. Accordingly, during the year, the Company has amended its policies relating to employee benefits and modified its employment contracts to align such benefits with the requirements of the Labour Codes. The changes include (i) alignment of the definition of Wages for social security contributions / provisions (ii) revisions to compensated absences entitlement and encashment rules, and (iii) modifications to gratuity-related terms and take effect on and from 21 November 2025.

Past service cost resulting from plan amendments amounting to Rs. 4.79 million has been recognised immediately in the Statement of Profit and Loss and has been classified as a part of "Exceptional Items". Rs. 4.79 million being the higher current service cost and the net interest on the net defined benefit liabilities, post the plan amendment, has been charged to the Statement of Profit and Loss and has been classified as a part of "Employee Benefits Expense".

31 Finance costs

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Interest expense on		
Borrowings	50.95	45.09
Delayed payment on MSME	1.22	0.22
Total	**52.17**	**45.31**

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(Amount in ₹ millions)

32 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment	116.71	104.15
Amortization of intangible assets	0.74	1.62
Total	**117.45**	**105.77**

33 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract labour charges	160.78	133.78
Conversion charges	100.11	95.51
Consumption of stores and spares	89.03	85.35
Power and fuel	146.05	115.50
Freight outward	19.11	14.73
Legal and professional (refer note 37)	16.48	5.69
Rates and taxes	9.00	4.03
Repairs and maintenance		
Buildings	1.66	1.27
Computers	1.64	0.90
Vehicles	3.19	3.10
Traveling and conveyance	3.68	3.66
Insurance	0.24	0.60
Communication expenses	0.93	1.16
Foreign exchange loss, net	0.03	0.04
Security charges	7.17	6.11
Corporate social responsibility (refer note 46)	2.48	1.34
Bank charges	0.74	0.78
Loss Allowance on trade receivables	12.06	5.20
Miscellaneous expense	6.72	6.63
Total	**581.10**	**485.38**

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(Amount in ₹ millions except no. of shares)

34 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. after adjustment for the effects of all dilutive potential equity shares. The details are as follows:

Particulars		**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Profit available to shareholders for calculation of basic and diluted earnings per share	A	92.89	57.23
Nominal value of equity shares (₹ per share)		10.00	10.00
Weighted average number of equity shares for calculation of basic earnings per share	B	3,55,556	3,55,556
Basic earnings per share (in ₹)	**A/B**	**261.25**	**160.96**
Weighted average number of equity shares for calculation of diluted earnings per share	C	3,55,556	3,55,556
Diluted earnings per share (in ₹)	**A/C**	**261.25**	**160.96**

35 Contingent liabilities and commitments *(to the extent not provided for)* **(Amount in ₹ millions)**

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Contingent liabilities #		
Claims against the Company not acknowledged as debts:		
Goods and service tax matters (Refer note A below)	19.94	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	77.59	54.07

Note A: The Company has certain ongoing matters with respect to Goods and Service Tax. The Company does not expect the outcomes of these proceedings to have a materially adverse effect on its financial position. The nature of these cases pertain to:
(i) Relating to demand raised by GST authorities on mismatch of GSTR 3B and GSTR 2A.
(ii) Relating to demand on account of disallowance of Input Tax Credit (ITC) on certain items.

The Honourable Supreme Court of India, in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods. the financial impact of the same is unascertained.

No additional provision has been created in the books. for the period since when the order came into effect. as basis the computation such additional amount is insignificant. The Company will evaluate its position and update its provision. if required. on receiving further clarity on the subject. The Company does not expect any material impact of the same.

36 Auditors' remuneration (included in legal and professional, net of taxes) **(Amount in ₹ millions)**

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
Statutory audit fees	2.00	1.30
Tax audit fees	-	0.20
Others	0.70	-
Reimbursement of expenses	0.10	0.05
Total	**2.80**	**1.55**

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Notes to the financial statements for the year ended March 31, 2026

37 Related parties disclosures

A. Parent company
Sansera Engineering Limited (refer note 1 below)

B. Fellow subsidiaries
Sansera Engineering Pvt. Ltd., Mauritius
Sansera Sweden AB

C. Key managerial personnel
D.S. Ananth - Managing Director
D.N. Nagakumar - Director
M.S. Basavaraja - Director
Praveen Chauhan - Director
Satyanarayan Patel - Director
Kadambi Narahari - Independent Director (w.e.f. March 31, 2025)
Sathya Moorthy Venkataramani - Independent Director (w.e.f. March 31, 2025)

D. The following is the summary of related party transactions: (Amount in ₹ millions)

Particulars	As at March 31, 2026	As at March 31, 2025
Sale of products		
Sansera Engineering Limited	772.19	744.41
Sale of Services		
Sansera Engineering Limited	36.58	8.30
Other operating revenues		
Sansera Engineering Limited	4.46	5.14
Sale of raw materials		
Sansera Engineering Limited	1.84	-
Purchase of raw materials		
Sansera Engineering Limited	1.92	10.09
Employee stock option Cost		
Sansera Engineering Limited	0.20	0.67
Loans to Directors		
D.S. Ananth	0.40	-
Repayment of Loans		
D.S. Ananth	0.66	0.61
D.N. Nagakumar	0.19	0.58
Key managerial person remuneration *		
D.S. Ananth	11.03	[illegible]
D.N. Nagakumar	4.20	[illegible]
Legal and Professional Charges- Fixed Commission		
Kadambi Narahari	0.40	-
Sathya Moorthy Venkataramani	0.40	-
Legal and Professional Charges- Sitting Fees		
Kadambi Narahari	[illegible]	-
Sathya Moorthy Venkataramani	0.30	-

* Excludes contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

E. The balances receivable from and payable to related parties are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Sansera Engineering Limited	[illegible]	[illegible]
Loans to Directors		
D.S. Ananth	[illegible]	[illegible]
D.N. Nagakumar		[illegible]

Note 1: Sansera Engineering Limited (Parent Company) has undertaken to provide necessary financial support in the form of letter of comfort to enable the Company to obtain borrowing facility from respective banks.

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(Amount in ₹ millions)

38 Employee benefit plans

i. Defined contribution plan

The Company has defined contribution plan. Contributions are made to the Provident fund for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer contribution to Provided fund, including admin charges	9.42	8.15
Employer contribution to Employee state insurance scheme	0.63	0.86
Employer contribution to Labour Welfare Fund	0.04	0.01

ii. A Defined benefit plan - Gratuity

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement (Age of 58 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the fund.

The following table sets out the status of the gratuity plan as required under Ind AS 19 "Employee benefits".

a) Reconciliation of present value of defined benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at the beginning of the year	65.38	45.99
Current service cost	4.26	3.56
Current interest cost	4.20	3.29
Past service cost	4.79	-
Benefits paid	(6.53)	(1.89)
Actuarial (gains) losses recognised in other comprehensive income:		
Changes in financial assumptions	(2.27)	2.03
Experience adjustments	1.56	12.40
Changes in demographic assumptions	-	-
Defined benefit obligation at end of the year	**71.39**	**65.38**

b) Reconciliation of present value of plan assets

Particulars	As at March 31, 2026	As at March 31, 2025
Plan assets at the beginning of the year	13.24	14.01
Interest income	0.80	1.00
Contribution paid into the plan	23.40	-
Benefits paid	(6.53)	(1.89)
Return on plan assets recognised in other comprehensive income	(0.08)	0.12
Plan assets at the end of the year	**30.83**	**13.24**
Net defined benefit liability / (asset) (a-b)	**40.56**	**52.14**
Non-current	34.80	44.86
Current	5.76	7.28
Total	**40.56**	**52.14**

c) Expenses recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	4.26	3.56
Interest cost	3.40	2.29
Interest income	0.80	1.00
Past service cost	4.79	-
Total	**13.25**	**6.85**

d) Remeasurements recognised in Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial (gain) loss on account of experience adjustments	1.56	12.40
Actuarial (gain) loss arising from change in financial assumptions	(2.27)	2.03
Return on plan assets recognised in other comprehensive income	0.07	(0.12)
Actuarial (gain) loss arising from change in demographic assumptions	-	-
Total	**(0.64)**	**14.31**

e) On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes amongst other things, introduced changes including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which had resulted in increase in gratuity liability arising out of past service cost and increase in leave liability. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount of Rs. 4.79 Million as "Impact of Labour Codes" under "Exceptional Item" in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of liability pertaining to employee benefits.

Exceptional Items:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Plan amendment cost	4.79	-
	4.79	**-**

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38 Employee benefit plans (Continued)

f) Actuarial assumptions

The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2026 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.15%	6.70%
Salary increase	4.00%	4.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	58 Years	58 Years
Withdrawal rate	5.00%	5.00%

g) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	66.62	76.75	60.99	(70.36)
Future salary growth (1% movement)	76.80	66.50	70.35	(60.93)
Attrition rate (1% movement)	73.63	68.57	67.21	(63.09)
Mortality Rate (1% movement)	71.42	71.35	65.42	(65.36)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

The expected future contribution and estimated future benefit payments from the fund areas follows:

Expected cash flows over the next (valued on undiscounted basis):	For the year ended March 31, 2026	For the year ended March 31, 2025
1 year	10.14	9.08
2 to 5 years	23.76	23.22
6 to 10 years	40.25	31.69
More than 10 years	56.38	51.62

h) Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

i) The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

j) Expected Contribution during the next annual reporting period is Rs. 11.01 million

ii. B Defined benefit plan - Compensated absences

(Amount in ₹ millions)

Net defined benefit liability / (asset)	March 31, 2026	March 31, 2025
Non-current	-	-
Current	9.83	7.07
Total	**9.83**	**7.07**
Expenses recognised in the statement of profit and loss	**4.76**	**4.84**

The actuarial valuation has been carried out using projected unit credit method based on assumptions given in respect of gratuity valuation.

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(Amount in ₹ millions)

39 **Tax expense**

A. Amounts recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax (a)		
Current year	40.43	30.73
Tax relating to prior years	5.94	3.48
Deferred tax (b)		
Charge for the year	(6.34)	0.17
Income tax expense reported in the statement of profit and loss (a+b)	**40.03**	**34.38**
Amounts recognised in other comprehensive income		
Deferred taxes		
Remeasurements of the defined benefit plans	0.19	4.17
Income tax reported in other comprehensive income	**0.19**	**4.17**

B. Bifurcation of the income tax recognised in other comprehensive income into

	0.19	4.17
Items that will not be reclassified to profit or loss	-	-
Items that will be reclassified to profit or loss	**0.19**	**4.17**

C. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	March 31, 2026	March 31, 2025
Profit before tax	**137.71**	**91.61**
Effective tax rate	29.12%	27.82%
Computed expected tax expense	40.10	25.49
Effect of:		
Permanent differences	1.34	0.58
Tax adjustment pertaining to earlier years	5.94	3.48
Others	(7.35)	4.83
Income tax expense	**40.03**	**34.38**

D. Movement in temporary differences

Particulars	Balance as at 1 April 2025 Net deferred tax asset/(liabilities)	Recognised in profit and loss during 2025-26	Recognised in OCI during 2025-26	Balance as at 31st March 2026 Net deferred tax asset/(liabilities)
Property, plant and equipment	(37.49)	(2.59)	-	(40.08)
Provision for employee benefits	17.24	(2.19)	(0.19)	14.86
Deductions allowed on payment basis	3.76	11.12	-	14.89
Total	**(16.49)**	**6.34**	**(0.19)**	**(10.33)**

Particulars	Balance as at 1 April 2024 Net deferred tax asset/(liabilities)	Recognised in profit and loss during 2024-25	Recognised in OCI during 2024-25	Balance as at March 31, 2025 Net deferred tax asset/(liabilities)
Property, plant and equipment	(30.63)	(6.86)	-	(37.49)
Provision for employee benefits	9.52	3.55	4.17	17.24
Deductions allowed on payment basis	0.62	3.14	-	3.76
Total	**(20.49)**	**(0.17)**	**4.17**	**(16.49)**

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40 Financial instruments

A Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As at March 31, 2026 **(Amount in ₹ millions)**

Particulars	Carrying amount as at March 31, 2026	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	5.22	-	-	-
Other non-current financial assets	24.70	-	-	-
Trade receivables	251.61	-	-	-
Cash and cash equivalents	42.87	-	-	-
Bank balances other than cash and cash equivalents above	7.00	-	-	-
Other current financial assets	-	-	-	-
Total	**331.40**	-	-	-
Financial liabilities measured at amortised cost				
Non-current borrowings	-	-	-	-
Current borrowings	574.02	-	-	-
Trade payables	307.90	-	-	-
Other financial liabilities	7.21	-	-	-
Total	**889.13**	-	-	-

As at March 31, 2025

Particulars	Carrying amount as at March 31, 2025	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	5.81	-	-	-
Other non-current financial assets	24.88	-	-	-
Trade receivables	269.35	-	-	-
Cash and cash equivalents	0.03	-	-	-
Bank balances other than cash and cash equivalents above	3.03	-	-	-
Other current financial assets	4.27			
Total	**307.37**	-	-	-
Financial liabilities measured at amortised cost				
Non-current borrowings	138.72	-	-	-
Current borrowings	331.50	-	-	-
Trade payables	302.79	-	-	-
Other financial liabilities	-	-	-	-
Total	**773.01**	-	-	-

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company has not disclosed the fair value of financial instruments such as other non current financial assets, trade receivables, cash and cash equivalents, bank balances, other current financial assets, loans, borrowings, trade payables and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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41 Financial risk management

The Company is exposed to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In respect of trade receivables the Company performs credit assessment for customers on an annual basis and recognizes credit risk on the basis of lifetime expected losses.

The top 5 customers generated revenues of 79.01% during the year (March 31, 2025: 83.48%), where in 3 customers (March 31, 2025: 3 customers) individually represented more than 10% of the revenue for the year. Further, Top 5 customers accounted for more than 62.55% of the receivables as at March 31, 2026. Sansera Engineering Limited, Parent Company, accounted for more than 35.54% of the revenue for the year ended March 31, 2026.

Security deposits, Other Current Financial Assets and Loans:

Expected credit loss for security deposits and loans as on March 31, 2026 is as follows:

(Amount in ₹ millions)

Particulars	Year ended	Asset company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	March 31, 2026	Security deposits	19.16	0%	-	19.16
		Loans	5.22	0%	-	5.22

Expected credit loss for security deposits and loans as on March 31, 2025 is as follows:

(Amount in ₹ millions)

Particulars	Year ended	Asset company	Estimated gross	Expected	Expected credit losses	Carrying amount,
Loss allowance measured at 12 month expected credit loss: Financial assets for which credit risk has not increased significantly since initial recognition	March 31, 2025	Security deposits	16.25	0%	-	16.25
		Loans	5.81	0%	-	5.81

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The working capital position of the Company is given below :
As at March 31, 2026, the Company had a working capital of ₹ (228.08) million including cash and cash equivalents and bank balances of ₹ 42.87 million
As at March 31, 2025, the Company had a working capital of ₹ (90.06) million including cash and cash equivalents and bank balances of ₹ 3.06 million

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Amount in ₹ millions)

Particulars	As at March 31, 2026				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	-	-	-	-	-
Current borrowings (included accrued interest)	574.02	574.02	574.02	-	-
Trade payables	307.90	307.90	307.90	-	-
Other financial liabilities	7.21	7.21	7.21	-	-

(Amount in ₹ millions)

Particulars	As at March 31, 2025				
	Carrying amount	Total	Less than 1 year	1-2 years	Above 2 years
Non-current borrowings including current maturities	203.27	203.27	64.55	56.88	81.84
Current borrowings (includes accrued interest)	266.95	266.95	266.95	-	-
Trade payables	302.79	302.79	302.79	-	-
Other financial liabilities	-	-	-	-	-

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41 Financial risk management (continued)

(iv) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings and payables. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

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

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

(Amount in ₹ millions)

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed rate instruments:		
Financial liabilities	-	-
Variable rate instruments:		
Financial liabilities	574.02	470.22
Total	**574.02**	**470.22**

Interest rate sensitivity:

Sensitivity analysis for fixed-rate instruments
There is no impact on the profit or loss on account of fixed rate instruments.

Cash flow sensitivity analysis for variable-rate instruments
The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Effect on profit before tax	
		March 31, 2026	March 31, 2025
Increase of 100 basis points	INR	5.74	4.70
Decrease in 100 basis points	INR	(5.74)	(4.70)

(ii) Foreign Currency risk
The Company is also mainly exposed to currency risk on certain transactions that are denominated in a currency other than the respective entity's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.
The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities when revenue and expense is denominated in a foreign currency.

As at March 31, 2026 and March 31, 2025, the Company is not exposed to any foreign currency risk from financial instruments.

42 Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at March 31, 2026	As at March 31, 2025
Gross debt *	574.02	470.22
Less: Cash and cash equivalents and other bank balances	49.87	3.06
Adjusted net debt (A)	**524.15**	**467.16**
Total equity (B)**	**672.10**	**578.76**
Debit Ratio (A/B)	**0.78**	**0.81**

* Gross debt includes non-current borrowing, current borrowing, current maturities of long term debts and accrued interest.
** Total equity consists of Equity share capital and Other equity

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Fitwel Tools and Forgings Private Limited
Corporate Identity Number (CIN) : U29220KA1983PTC005690
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43 Ratios

Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% Variance	Reason for Variance
(a) Current Ratio	Current assets	Current liabilities	0.75	0.87	-13.67%	Not Applicable
(b) Debt-Equity ratio	Total debt	Shareholders' equity	0.85	0.81	5.44%	Not Applicable
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt service	2.19	1.98	10.79%	Not Applicable
(d) Return on Equity Ratio	Net profits after taxes - Preference dividend	Average shareholders equity	14.89%	10.31%	44.47%	Variance on account of increase in net profit
(e) Inventory turnover ratio	Cost of goods sold	Average inventories	3.51	3.21	9.33%	Not Applicable
(f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	8.78	8.63	1.69%	Not Applicable
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	5.78	5.30	8.99%	Not Applicable
(h) Net capital turnover ratio	Revenue from operations	Working capital	10.02	21.93	-54.30%	Variance on account of reclassification of long term borrowings to current borrowings
(i) Net profit ratio	Net profit after tax	Revenue from operations	4.06%	2.90%	40.12%	Variance on account of increase in net profit
(j) Return on Capital employed	EBIT	Capital employed	11.15%	12.89%	-13.51%	Not Applicable
(k) Return on investment	Income generated from investments	Average investments	8.00%	7.59%	5.42%	Not Applicable

Notes:
(1) Total Debt includes non-current borrowings, current borrowings, current maturities of non-current borrowings and accrued interest
(2) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest - other adjustments like gain on sale of property, plant and equipment.
(3) Debt service = Interest and Lease Payments + Principal Repayments
(4) Cost of Goods Sold = Cost of materials consumed + Changes in inventory of finished goods and work in progress
(5) Net credit purchases consist of gross credit purchases minus purchase return (includes other expenses)
(6) Working capital = Current asset - Current liabilities
(7) EBIT = Earnings before interest and taxes
(8) Capital Employed = Tangible net worth + Borrowings + Deferred tax liabilities
(9) Income generated from investment represents interest income from bank deposits
(10) Average investments includes average of investment in fixed deposits

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44 Employee stock options

Details of the employee share option plan of the Company
The Holding Company has share option schemes for the permanent employees of the Holding Company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders of the Holding Company, permanent employees may be granted options to purchase equity shares.

Each employee share option converts into one equity share of the Holding Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry as per ESOP Schemes. The employees of the Company have been alloted options under the below scheme of the Parent Company, the details of the plans are as follows:

(a) Sansera Employee Stock Option Plan 2018
The Holding Company, pursuant to resolution passed by its shareholders dated 8 August 2018 has adopted "Sansera Employee Stock Option Plan 2018" ("the Plan"). Further, the ESOP 2018 has been amended pursuant to resolutions passed by its Board of Directors on 19 April 2021 and 22 August 2021 and Shareholders on 2 June 2021 and 31 August 2021. The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee of the Holding Company and shall not exceed such number of options which represents 2.50% shareholding in the Holding Company on a fully diluted basis as on the date of this plan.

Options under this program are granted to the employees at an exercise price of ₹ 744 per option. Stock options issued carry different vesting periods. It ranges from 25 to 100 percent vesting of total options granted by the end of every one year from the grant date. All stock options shall be fully vested by the end of 4 years from the grant date.

The following reconciles the outstanding share options granted under employee share option plan, to the employees of the Company, at beginning and at the end of financial year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Options	Weighted average exercise price in ₹	Number of Options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	27,000	744.00	27,000	744.00
Granted during the year	-	-	-	-
Exercised during the year	27,000	744.00	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	-	-	**27,000**	**744.00**
Vested at the end of the year	-	-	**20,250**	**744.00**
Exercisable at the end of the year	-	-	**20,250**	**744.00**

Measurement of fair values

Black-Scholes Option Pricing Model is used to value the fair value of the stock options. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Share option plan
Grant date	22-Sep-21
Fair value at grant date (Average)	200.72
Share price at grant date	744.00
Exercise price	744.00
Expected volatility (weighted average volatility) (Average)	26.68%
Expected term (in years) (Average)	3.50
Method used to determine expected volatility	The expected volatility has been calculated based on historic volatility Auto Index
Risk free interest rate (Average)	5.02%

The Holding Company has cross-charged an amount of ₹0.20 million for year ended March 31, 2026 (March 31, 2025: ₹ 0.67 million) as recovery of cost of such stock options.
For details on the employee benefits expense recognised in Statement of Profit and Loss, refer note 30.

(Amount in ₹ millions)

45 Dues to micro and small enterprises

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
– Principal	13.79	6.13
– Interest	1.22	0.44
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, (the Act) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the said Act	1.22	0.22
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.66	0.44
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-

46 Expenditure on corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**
(i) Amount required to be spent by the company during the year	1.82	1.74
(ii) Amount of expenditure incurred on purpose other than construction/acquisition of any asset	-	1.34
a) Construction/ acquisition of any asset	-	0.79
b) Purpose other than (a) above	-	0.55
(iii) Shortfall at the end of the year	1.82	0.40
(iv) Total of previous' years shortfall	-	-

(v) Nature of CSR activities: Promotion of education of underprivileged children, rural infrastructure development etc.,

In case of section 135(6) of the Companies Act, 2013 (Ongoing Project)							
Opening Balance		Amount required to be spent during the year	Amount Deposited in the separate CSR Unspent A/c during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c			From Company's bank A/c	From Separate CSR Unspent A/c	With Company*	In Separate CSR Unspent A/c
0.40	0.02	1.82	2.00	0.40	-	-	2.02

*The shortfall pertains to ongoing projects, and the Company has transferred the unspent amount to a special account in accordance with Section 135(6) of the Companies Act on March 27, 2026

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47 **Segment reporting**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of forging, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 1. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

(i) Geographical information

The Company primarily operates in India and its revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

(a) Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from external customers		
India	2,285.97	1,974.79
Outside India	-	-
Total	**2,285.97**	**1,974.79**

(b) Non-current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
India	896.54	821.71
Total	**896.54**	**821.71**
Reconciling items:		
Non-current financial assets	26.25	26.82
Income tax assets	22.52	20.36
Total non-current assets	**945.31**	**868.89**

48 During the year, the Company received an anonymous whistleblower complaint alleging misappropriation of funds by certain employees. Pursuant to the complaint, the Company conducted an investigation with the assistance of an independent external consultant and identified fraudulent payments amounting to INR 91.21 million over the years from 2019-20 to 2024-25, of which Rs 18.95 million is charged off to the Statement of Profit and Loss during the year ended March 31, 2026 (the remaining amounts were already expensed off to the Statement of Profit and Loss in the earlier years).

The Company initiated recovery proceedings against the alleged former employees by filing a compliant with the police authorities and has recovered Rs. 14.63 million in cash and properties valued at Rs. 29.80 million, which have been recognized under "Other Income" in the financial statements. These properties have been classified as "Assets Held for Sale" in the financial statements. The Company is pursuing further recoveries from the alleged parties.

49 The Company has used an accounting software for maintaining its books of account for the year ended March 31, 2026 which has feature of recording audit trail (edit log) facility and the same was enabled and operated throughout the year for all relevant transactions recorded in the software.

Additionally, the audit trail that was enabled and operated in respect of the accounting software used for maintaining books of accounts for the years ended March 31, 2024 and March 31, 2025 has been preserved by the Company as per statutory requirements for record retention except for the period April 01, 2024 to May 20, 2024 where the audit trail feature was not enabled by the Company.

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50 Additional regulatory information

a) There are no transactions or balances with Companies which have been removed from the Register of Companies (Struck off Companies), during the year ended as at March 31, 2026

b) The Company has not traded invested in Cryptocurrency Virtual currency

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall.

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

51 The Company evaluated all events or transactions that occurred after March 31, 2026 up through May 18, 2026, the date the financial statements were authorised for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements

52 As at March 31, 2026, the Company's current liabilities exceed its current assets by Rs. 228.08 million (March 31, 2025 Rs 90.06 million). The significant increase in current liabilities is primarily attributable to the reclassification of non-current borrowings as current borrowings due to a breach of financial covenants by the Company

The Company is operationally profitable. Further, based on the projections of the management and availability of the unutilized sanctioned borrowing limits, the Company will be able to meet its obligations as they fall due over the next twelve months

53 The Audit Committee has recommended and Board of Directors of the Company have approved these financial statements of the Company in their respective meetings held on May 18, 2026

for **Fitwel Tools and Forgings Private Limited**
CIN U29220KA1983PTC005690

D S Ananth
Managing Director
DIN 03414505

Satyanarayan Patel
Director
DIN [illegible]

Place Bengaluru
Date 18 May 2026

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

FITWEL TOOLS & FORGINGS PRIVATE LIMITED
Tumkur