

Date: 21st May, 2024

To,
The Listing Department
BSE Limited
Department of Corporate Affairs
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

To,
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex,
Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

Subject :Outcome of the 01/2024-25 Board Meeting held on 21st May, 2024.
Reference : ISIN - INE02IJ01035; Scrip Id-544061; Scrip Code-AZAD

With reference and further to the intimation of Board Meeting dated 15th May, 2024, we hereby inform you that in the 01/2024-25 meeting of Board of Directors of the Company, duly convened and held on **Tuesday, 21st May, 2024** at the registered office of the Company situated at "90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055" that commenced at 03:00 PM (i.e. 1500 Hours) and concluded at 05:30 PM (i.e. 1730 Hours), the Board of Directors has *inter alia* transacted the following businesses:

- Considered and approved the Audited Financial Statements (Standalone and Consolidated) for year ended on 31st March, 2024 and the Audited Financial Results (Standalone and Consolidated) for the 4th quarter and year ended 31st March, 2024.
- Other business arising out of the above business and incidental and ancillary to the Company's business.

This is for your information and record.

Thanking you,

Yours truly,

For Azad Engineering Limited


Ful Kumar Gautam
(Company Secretary & Compliance Officer)
Membership No.: A49550



Independent Auditor's Report on Standalone Audited Annual Financial Results of the Azad Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To the Board of Directors of Azad Engineering Limited (formerly known as Azad Engineering Private Limited)

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone annual financial results of Azad Engineering Limited (hereinafter referred to as 'the Company') for the year ended March 31, 2024 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit, and other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, issued thereunder and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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



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- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other matter

1. The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.
2. The Statement includes results for the quarter ended March 31, 2023, being the balancing figure between the audited figures for the full financial year ended March 31, 2023 and the unaudited year to date figures up to the third quarter ended December 31, 2022, which were not subjected to review or audit by us.



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Our opinion is not modified in respect of the above matters.

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



Ananthkrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIT3536



Place: Hyderabad
Date: May 21, 2024

Azad Engineering Limited [formerly known as Azad Engineering Private Limited]

CIN: U74210TG1983PLC004132

Registered office address: 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2024

[All amounts are in Rs Mn]

SNo	Particulars	Quarter Ended			Year Ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Audited [Refer Note 6]	Unaudited	Unaudited [Refer Note 5]	Audited	Audited
	Income:					
I	Revenue from operations	927.98	892.26	849.14	3,407.71	2,516.75
II	Other income [refer note 8 & 9]	27.68	184.42	49.95	319.93	98.46
III	Total income (I+II)	955.66	1,076.68	899.09	3,727.64	2,615.21
	Expenses:					
IV	Cost of materials consumed	194.12	183.88	160.41	667.63	495.22
	Changes in inventories of finished goods and work-in-progress	(36.23)	(80.54)	(54.25)	(207.41)	(193.71)
	Employee benefit expense	196.60	208.39	173.28	742.65	592.69
	Depreciation and amortisation expense	54.62	52.25	41.45	205.30	165.83
	Finance costs	60.34	193.72	111.61	472.65	523.82
	Other expenses	259.94	253.14	264.92	1,038.96	899.42
	Total expenses	729.39	810.84	697.42	2,919.78	2,483.27
V	Profit before tax for the period/year (III-IV)	226.27	265.84	201.67	807.86	131.94
VI	Tax expenses					
	Current tax	41.64	49.34	17.47	146.21	25.74
	Tax pertaining to earlier years	-	-	2.42	-	2.42
	Deferred tax	35.34	48.46	33.15	75.85	18.70
	Total tax expense	76.98	97.80	53.04	222.06	46.86
VII	Profit for the period/year (V-VI)	149.29	168.04	148.63	585.80	85.08
VIII	Other comprehensive income					
	Remeasurement gains / (losses) on defined benefit plans	(2.88)	3.47	0.73	(3.58)	2.90
	Tax relating to above items	0.84	(0.59)	(1.47)	1.04	(0.84)
	Total other comprehensive income/(loss) for the period/year	(2.04)	2.88	(0.74)	(2.54)	2.06
IX	Total comprehensive income for the period/year (VII+VIII)	147.25	170.92	147.89	583.26	87.14
X	Paid up equity share capital (Face value Rs 2/- each fully paidup)	118.23	118.23	99.11	118.23	99.11
XI	Reserves excluding revaluation reserve				6,332.83	2,023.79
XII	Earnings per equity share (Face value ₹ 2 each fully paidup)					
	(1) Basic (in Rs)*	2.85	3.37	1.80	11.20	1.80
	(2) Diluted (in Rs)*	2.85	3.37	1.80	11.20	1.80
	* Not annualised	*	*	*		
	See accompanying notes to the standalone financial results					

Particulars	As at March 31, 2024 [Audited]	As at March 31, 2023 [Audited]
ASSETS		
Non-current assets		
Property, plant and equipment	2,545.41	2,096.83
Right-of-use assets	27.33	-
Capital work-in-progress	454.34	379.86
Financial assets		
- Investments	-	62.82
-Other financial assets	246.92	38.68
Other non-current assets	479.71	475.67
Total non-current assets	3,753.71	3,053.86
Current assets		
Inventories	1,329.63	860.63
Financial assets		
(i) Trade receivables	1,699.53	1,186.63
(ii) Cash and cash equivalents	281.86	193.93
(iii) Bank balances other than (ii) above	307.32	333.27
(iv) Other financial assets	-	0.91
Other current assets	598.74	260.78
Total current assets	4,217.08	2,836.15
Total assets	7,970.79	5,890.01
EQUITY AND LIABILITIES		
Equity		
Equity share capital	118.23	16.52
Other equity	6,332.83	2,023.79
Total equity	6,451.06	2,040.31
LIABILITIES		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	271.13	2,206.54
(ii) Lease liabilities	20.05	-
Provisions	36.08	25.64
Deferred tax liabilities (net)	210.68	135.87
Total non-current liabilities	537.94	2,368.05
Current liabilities		
Financial liabilities		
(i) Borrowings	100.44	797.40
(ii) Lease liabilities	2.71	-
(iii) Trade payables		
- Dues of micro and small enterprises	208.62	191.74
- Dues of creditors other than micro and small enterprises	290.49	303.04
(iv) Other financial liabilities	118.63	123.36
Provisions	4.26	2.74
Other current liabilities	228.72	38.44
Current tax liabilities (net)	27.92	24.93
Total current liabilities	981.79	1,481.65
Total liabilities	1,519.73	3,849.70
Total equity and liabilities	7,970.79	5,890.01

See accompanying notes to the standalone financial results

Particulars	For the year ended March 31, 2024 [Audited]	For the year ended March 31, 2023 [Audited]
A. Cash flow from operating activities		
Profit before tax	807.86	131.94
Adjustments for :		
Depreciation expenses	203.63	165.83
Amortisation of ROU	1.67	-
Finance costs	472.65	523.82
Loss due to fire	-	31.79
Gain on derecognition of financial liabilities	175.62	-
Unrealized foreign exchange (gain)	(6.24)	(27.15)
Allowance for bad and doubtful debts	21.39	4.75
Interest income	(14.02)	(26.73)
Profit on sale of land	(42.00)	-
Profit on sale of subsidiaries	(56.03)	-
Operating profit before working capital changes	1,564.53	804.25
Changes in working capital		
(Increase) /decrease in trade receivables	(528.05)	(417.92)
(Increase)/decrease in inventories	(469.00)	(308.27)
(Increase) / decrease in other financial assets	(207.92)	(17.15)
(Increase)/decrease in other current assets	(337.05)	(80.84)
Increase / (decrease) in trade payables	4.33	49.64
Increase / (decrease) in other financial liabilities	18.03	(34.74)
Increase / (decrease) in provision	11.96	14.92
Increase/ (decrease) in other liabilities	19.96	(15.55)
Cash generated from operations	76.79	(5.66)
Income taxes paid (net of refund)	(146.24)	(96.39)
Net cash flow Used in operating activities	A	(69.45)
B. Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(753.36)	(856.22)
Proceeds from sale of property, plant and equipment	42.02	18.77
Sale of investment in subsidiaries	118.86	-
Deposits placed having original maturity of more than 3 months (net)	25.95	(200.79)
Interest received	14.02	26.73
Net cash flow Used in investing activities	B	(552.51)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	2,400.00	573.46
Proceeds from long term borrowings	437.39	177.45
Proceeds from issuance of optionally and compulsorily convertible debentures	-	1,600.00
Payment of lease liabilities	(1.68)	-
Interest on lease payment	(1.18)	-
Repayment of long term borrowings	(955.27)	(614.88)
Proceeds from/(repayment) of short term borrowings (net)	(696.72)	51.13
Interest paid	(472.65)	(523.82)
Net cash flow generated from financing activities	C	1,263.34
Net increase in cash and cash equivalents	A+B+C	87.93
Cash and cash equivalents at the beginning of the year	193.93	44.15
Cash and cash equivalents at end of the year	281.86	193.93
Cash and cash equivalents comprise		
Balances with banks		
- in current accounts	241.50	106.32
- in EEFC accounts	26.55	0.01
Deposits with maturity of less than 3 months	-	72.26
Cash on hand	13.81	15.34
Total cash and cash equivalents at end of the year	281.86	193.93

See accompanying notes to the standalone financial results

Notes:

- 1 The audited Standalone Financial Results for the quarter and year ended March 31, 2024 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on May 21, 2024. The statutory auditors have carried out audit of these Standalone Financial Results and have issued an unmodified report on these results.
- 2 The above results have been prepared in accordance with the Indian Accounting Standard (Ind AS)- 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 21, 2024. The statutory auditors of the Company have carried out audit of the standalone financial results for the year ended March 31, 2024 and have issued an unmodified opinion.
- 3 The Company has completed an Initial Public Offer ("IPO") of 14,122,108 Equity Shares at the face value of Rs 2/- each at an issue price of Rs 524/- per Equity share, comprising offer for sale of 9,541,957 shares by selling shareholders and a fresh issue of 4,580,151 shares aggregating Rs. 7,399.98 Mn. The Equity Shares of the Company were listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on December 28, 2023.
- 4 Rs. 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses Rs 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of Rs. 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

[All amounts are in Rs Mn]

Object of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up March 31, 2024	Unutilised amount up to March 31, 2024
Towards funding of capital expenditure	603.95	20.78	583.17
Repayment/prepayment, in part or full, of certain of the borrowings availed by the	1,381.88	1,357.10	24.78
General corporate purposes**	241.66	420.00	(178.34)
Total	2,227.49	1,797.88	429.61

*The balance of 24.78 mn will be utilised by the company for repayment of the balance debts.

**The Company has utilised Rs. 420.00 Mn towards General Corporate Purpose as against the amount of Rs. 241.66 Mn as estimated and stated in the prospectus. The excess utilisation of Rs.178.34 Mn is from the proceeds estimated for the capital expenditure. However, these amounts are within the limits of 25% of gross proceeds of fresh issue as set out in the prospectus as per the requirements of SEBI ICDR Regulations.

- 5 The figures for the quarter ended March 31, 2023 are the balancing figure between the audited standalone figures for the year ended March 31, 2023 and the unaudited year to date figures up to the third quarter of the previous financial year, which were not subjected to review as it was a private company and the requirement of submission of quarterly standalone financial results was not applicable.
- 6 The figures for the quarter ended March 31, 2024 are the balancing figures between the audited Standalone figures for the Year ended March 31, 2024 and the published unaudited year to date figures up to the third quarter of the current financial year.
- 7 The operations of the Company predominantly relate to the manufacture and sale of high precision and OEM components. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments"
- 8 The Company, during its board and shareholders' meetings held on September 14, 2023 and September 15, 2023 respectively, approved the sale of investment in subsidiaries (Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd) to Mr. Rakesh Chopdar (Chairman and CEO). As a result of this sale, the Company made a profit of Rs 15.66 Mn and Rs 40.38 Mn respectively which has been classified as other income in half year ended September 30, 2023.
- 9 On December 11, 2023, a total of 1,600 Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, outstanding as at December 10, 2023, were converted into 4,978,062 Equity Shares. The conversion was adjusted to the Equity Share capital and other equity for Rs. 1,600 Mn. Consequently, these shares were offered for sale by Piramal Structured Credit Opportunities Fund in the IPO. As per the contractual terms interest provided for in excess of the coupon rate amounting to Rs 175.62 Mn was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.
- 10 Pursuant to a resolution of the shareholders dated September 12, 2023, 1,651,826 equity shares of face value of Rs 10/- each of the Company were split into 8,259,130 Equity Shares of face value of Rs 2/- each. Further, pursuant to the shareholder's resolution passed at the extra-ordinary general meeting held on September 12, 2023, the Company issued 5 bonus shares of face value of Rs 2/- each for every 1 existing fully paid-up Equity Share of face value Rs 2/- each during half year ended September 30, 2023.

For and on behalf of Board of Directors



Rakesh Chopdar
Chairman and CEO



Place: Hyderabad
Date: May 21, 2024

Independent Auditor’s Report on Consolidated Audited Annual Financial Results of the Azad Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To the Board of Directors of Azad Engineering Limited (formerly known as Azad Engineering Private Limited)

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated annual financial results of Azad Engineering Limited (hereinafter referred to as the ‘Holding Company’) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), for the year ended March 31, 2024 (‘the Statement’) attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial results for the year ended March 31, 2024, the aforesaid Statement:

(i) includes the annual financial results of holding Company and the following entities

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Rouland Chemicals Pvt Ltd	Wholly owned subsidiary up to September 15, 2023
2	Swastik Coaters Pvt Ltd	Wholly owned subsidiary up to September 15, 2023
3	Azad Engineering Pte Limited	Wholly owned subsidiary up to January 07, 2024

(ii) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit, and other comprehensive income and other financial information of the Group for the year ended March 31, 2024.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group, or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of are responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 this Statement.

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



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We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

1. The Statement includes the financial information of two Indian subsidiaries, whose financial information reflects total revenue of Rs.0.35 Mn, total net loss after tax Rs. 0.03 Mn, total comprehensive loss of Rs. 0.03 Mn for the period April 01, 2023 to September 15, 2023 respectively as considered in the Statement. This financial information for the period from April 01, 2023 to September 15, 2023 has been furnished to us by the management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management prepared unaudited financial information. According to the information and explanations given to us by the Management, these financial information are not material to the Group.
2. The Statement includes the financial information of the foreign subsidiary, whose financial information reflects total revenue of Rs. Nil, total net profit after tax of Rs. Nil, total comprehensive income of Rs. Nil for the period April 01, 2023 to January 07, 2024 as considered in the Statement. This financial information for the period from April 01, 2023 to January 07, 2024 has been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such management prepared unaudited financial information. According to the information and explanations given to us by the Management, this financial information is not material to the Group.
3. The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” which were subject to limited review by us.
4. The Statement includes results for the quarter ended March 31, 2023, being the balancing figure between the audited figures for the full financial year ended March 31, 2023 and the unaudited year to date figures up to the third quarter ended December 31, 2022, which were not subjected to review or audit by us.



MSKA & Associates

Chartered Accountants

Our opinion is not modified in respect of the above matters.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Ananthakrishnan Govindan

Partner

Membership No.: 205226

UDIN: 24205226BKEAIU7996



Place: Hyderabad

Date: May 21, 2024

Azad Engineering Limited [formerly known as Azad Engineering Private Limited]

CIN: U74210TG1983PLC004132

Registered office address: 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

[All amounts are in Rs Mn]

SNo	Particulars	Quarter Ended			Year Ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Audited [Refer Note 6]	Unaudited	Unaudited [Refer Note 5]	Audited	Audited
	Income:					
I	Revenue from operations	927.98	892.26	849.14	3,407.71	2,516.75
II	Other income [refer note 8 & 10]	27.68	184.42	49.95	319.93	98.46
III	Total income (I+II)	955.66	1,076.68	899.09	3,727.64	2,615.21
	Expenses:					
IV	Cost of materials consumed	194.12	183.88	160.41	667.63	495.22
	Changes in inventories of finished goods and work-in-progress	(36.23)	(80.54)	(54.25)	(207.41)	(193.71)
	Employee benefit expense	196.60	208.39	173.28	742.65	592.69
	Depreciation and amortisation expense	54.62	52.25	41.45	205.30	165.83
	Finance costs	60.34	193.71	111.61	472.65	523.82
	Other expenses	259.94	253.14	265.27	1,038.96	899.77
	Total expenses	729.39	810.83	697.77	2,919.78	2,483.62
V	Profit before tax for the period/year (III-IV)	226.27	265.85	201.32	807.86	131.59
VI	Tax expenses					
	Current tax	41.64	49.34	17.47	146.21	25.74
	Tax pertaining to earlier years	-	-	2.42	-	2.42
	Deferred tax	35.34	48.46	33.15	75.85	18.70
	Total tax expense	76.98	97.80	53.04	222.06	46.86
VII	Profit for the period/year (V-VI)	149.29	168.05	148.28	585.80	84.73
VIII	Other comprehensive income					
	Remeasurement gains / (losses) on defined benefit plans	(2.88)	3.47	0.73	(3.58)	2.90
	Tax relating to above items	0.84	(0.59)	(1.47)	1.04	(0.84)
	Total other comprehensive income/(loss) for the period/year	(2.04)	2.88	(0.74)	(2.54)	2.06
IX	Total comprehensive income for the period/year (VII+VIII)	147.25	170.93	147.54	583.26	86.79
X	Paid up equity share capital (Face value Rs 2/- each fully paidup)	118.23	118.23	99.11	118.23	99.11
XI	Reserves excluding revaluation reserve				6,332.40	2,023.36
XII	Earnings per equity share (Face value Rs 2/- each fully paidup)					
	(1) Basic (Rs)*	2.85	3.37	1.80	11.20	1.80
	(2) Diluted (Rs)*	2.85	3.37	1.80	11.20	1.80
	* Not annualised	*	*	*		
	See accompanying notes to the consolidated financial results					

Azad Engineering Limited [formerly known as Azad Engineering Private Limited]

CIN: U74210TG1983PLC004132

Statement of Consolidated Assets and Liabilities

[All amounts are in Rs Mn]

Particulars	As at March 31, 2024 [Audited]	As at March 31, 2023 [Audited]
ASSETS		
Non-current assets		
Property, plant and equipment	2,545.41	2,166.54
Right-of-use assets	27.33	-
Capital work-in-progress	454.34	379.86
Financial assets		
-Other financial assets	246.92	33.72
Other non-current assets	479.71	475.67
Total non-current assets	3,753.71	3,055.79
Current assets		
Inventories	1,329.63	860.63
Financial assets		
(i) Trade receivables	1,699.53	1,186.63
(ii) Cash and cash equivalents	281.86	194.06
(iii) Bank balances other than (ii) above	307.32	333.27
(iv) Other financial assets	-	0.91
Other current assets	598.74	260.79
Total current assets	4,217.08	2,836.29
Total assets	7,970.79	5,892.08
EQUITY AND LIABILITIES		
Equity		
Equity share capital	118.23	16.52
Other equity	6,332.40	2,023.36
Total equity	6,450.63	2,039.88
LIABILITIES		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	271.13	2,208.61
(ii) Lease liabilities	20.05	-
Provisions	36.08	25.64
Deferred tax liabilities (net)	210.68	135.87
Total non-current liabilities	537.94	2,370.12
Current liabilities		
Financial liabilities		
(i) Borrowings	100.44	797.40
(ii) Lease liabilities	2.71	-
(iii) Trade payables		
- Dues of micro and small enterprises	208.62	191.74
- Dues of creditors other than micro and small enterprises	290.92	303.27
(iv) Other financial liabilities	118.63	123.36
Provisions	4.26	2.74
Other current liabilities	228.72	38.64
Current tax liabilities (net)	27.92	24.93
Total current liabilities	982.22	1,482.08
Total liabilities	1,520.16	3,852.20
Total equity and liabilities	7,970.79	5,892.08

See accompanying notes to the consolidated financial results

Azad Engineering Limited [formerly known as Azad Engineering Private Limited]

CIN: U74210TG1983PLC004132

Statement of Consolidated Cash Flows

[All amounts are in Rs Mn]

Particulars	For the year ended March 31, 2024 [Audited]	For the year ended March 31, 2023 [Audited]
A. Cash flow from operating activities		
Profit before tax	807.86	131.59
Adjustments for :		
Depreciation expenses	203.63	165.83
Amortisation of ROU	1.67	-
Finance costs	472.65	523.82
Loss due to fire	-	31.79
Gain on derecognition of financial liabilities	175.62	-
Unrealized foreign exchange (gain)	(6.24)	(27.15)
Allowance for bad and doubtful debts	21.39	4.75
Interest income	(14.02)	(26.73)
Profit on sale of land	(42.00)	-
Profit on sale of subsidiaries	(56.03)	-
Operating profit before working capital changes	1,564.53	803.90
Changes in working capital		
(Increase) /decrease in trade receivables	(528.05)	(417.92)
(Increase)/decrease in inventories	(469.00)	(308.27)
(Increase) / decrease in other financial assets	(207.92)	(17.08)
(Increase)/decrease in other current assets	(337.04)	(80.85)
Increase / (decrease) in trade payables	4.53	49.90
Increase / (decrease) in other financial liabilities	18.03	(34.74)
Increase / (decrease) in provision	11.96	14.67
Increase/ (decrease) in other liabilities	19.68	(15.31)
Cash generated from operations	76.72	(5.70)
Income taxes paid (net of refund)	(146.24)	(96.39)
Net cash flow Used in operating activities	A	(102.09)
B. Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(753.40)	(856.22)
Proceeds from sale of property, plant and equipment	42.02	18.77
Sale of investment in subsidiaries	118.86	-
Deposits placed having original maturity of more than 3 months (net)	25.95	(200.79)
Interest received	14.02	26.73
Net cash flow Used in investing activities	B	(1,011.51)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	2,400.00	573.46
Proceeds from long term borrowings	437.39	177.45
Proceeds from issuance of optionally and compulsorily convertible debentures	-	1,600.00
Payment of lease liabilities	(1.68)	-
Interest on lease payment	(1.18)	-
Repayment of long term borrowings	(955.05)	(614.81)
Proceeds from/(repayment) of short term borrowings (net)	(696.96)	51.13
Interest paid	(472.65)	(523.82)
Net cash flow generated from financing activities	C	1,263.41
Net increase in cash and cash equivalents	A+B+C	87.80
Cash and cash equivalents at the beginning of the year		44.25
Cash and cash equivalents at end of the year		194.06
Cash and cash equivalents comprise		
Balances with banks		
- in current accounts	241.50	106.38
- in EEFC accounts	26.55	0.01
Deposits with maturity of less than 3 months	-	72.26
Cash on hand	13.81	15.41
Total cash and cash equivalents at end of the year	281.86	194.06

See accompanying notes to the consolidated financial results

Notes:

- 1 The audited consolidated Financial Results for the quarter and year ended March 31, 2024 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on May 21, 2024. The statutory auditors have carried out audit of these Consolidated Financial Results and have issued an unmodified report on these results.
- 2 The above results have been prepared in accordance with the Indian Accounting Standard (Ind AS)- 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 21, 2024. The statutory auditors of the Company have carried out audit of the Consolidated Financial Results for the year ended March 31, 2024 and have issued an unmodified opinion.
- 3 The Company has completed an Initial Public Offer ("IPO") of 14,122,108 Equity Shares at the face value of Rs 2 each at an issue price of Rs 524 per Equity share, comprising offer for sale of 9,541,957 shares by selling shareholders and a fresh issue of 4,580,151 shares aggregating Rs 7,399.98 Mn. The Equity Shares of the Company were listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on December 28, 2023.
- 4 Rs 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses Rs 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of Rs 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

Object of the issue as per prospectus	[All amounts are in Rs Mn]		
	Amount to be utilised as per prospectus	Utilisation up March 31, 2024	Unutilised amount up to March 31, 2024
Towards funding of capital expenditure	603.95	20.78	583.17
Repayment/prepayment, in part or full, of certain of the borrowings availed by the Company*	1,381.88	1,357.10	24.78
General corporate purposes**	241.66	420.00	(178.34)
Total	2,227.49	1,797.88	429.61

*The balance of 24.78 mn will be utilised by the company for repayment of the balance debts.

**The Company has utilised Rs. 420.00 Mn towards General Corporate Purpose as against the amount of Rs. 241.66 Mn as estimated and stated in the prospectus. The excess utilisation of Rs.178.34 Mn is from the proceeds estimated for the capital expenditure. However, these amounts are within the limits of 25% of gross proceeds of fresh issue as set out in the prospectus as per the requirements of SEBI ICDR Regulations.

- 5 The figures for the quarter ended March 31, 2023 are the balancing figure between the audited consolidated figures for the year ended March 31, 2023 and the unaudited year to date figures up to the third quarter of the previous financial year, which were not subjected to review as it was a private company and the requirement of submission of quarterly consolidated financial results was not applicable.
- 6 The figures for the quarter ended March 31, 2024 are the balancing figures between the audited consolidated figures for the Year ended March 31, 2024 and the published unaudited consolidated figures for nine months ended December 31, 2023.
- 7 The operations of the Company predominantly relate to the manufacture and sale of high precision and OEM components. As such there is only one primary reportable segment as per Ind AS 108 "Operating Segments"

- 8 The Company, during its board and shareholders' meetings held on September 14, 2023 and September 15, 2023 respectively, approved the sale of investment in subsidiaries (Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd) to Mr. Rakesh Chopdar (Chairman and CEO). As a result of this sale, the Company made a profit of Rs 15.66 Mn and Rs 40.38 Mn respectively which has been classified as other income in half year ended September 30, 2023. Consequently, these companies are no longer subsidiaries and hence have been considered for consolidation upto September 15, 2023.
- 9 The company's application for strike off of its Singapore based wholly owned subsidiary has been approved by ACRA vide its letter dated January 07, 2024. There were no operations in this entity since its incorporation. This company ceases to be a subsidiary w.e.f January 07, 2024 and have been considered for consolidation upto the date of closure.
- 10 On December 11, 2023, a total of 1,600 Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, outstanding as at December 10, 2023, were converted into 4,978,062 Equity Shares. The conversion was adjusted to the Equity Share capital and other equity for Rs 1,600 Mn. Consequently, these shares were offered for sale by Piramal Structured Credit Opportunities Fund in the IPO. As per the contractual terms interest provided for in excess of the coupon rate amounting to Rs 175.62 Mn was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.
- 11 Pursuant to a resolution of the shareholders dated September 12, 2023, 1,651,826 equity shares of face value of Rs 10 each of the Company were split into 8,259,130 Equity Shares of face value of Rs 2 each. Further, pursuant to the shareholder's resolution passed at the extra-ordinary general meeting held on September 12, 2023, the Company issued 5 bonus shares of face value of Rs 2/- each for every 1 existing fully paid-up Equity Share of face value Rs 2/- each during half year ended September 30, 2023.

Place: Hyderabad
Date: May 21, 2024

For and on behalf of Board of Directors


Rakesh Chopdar
Chairman and CEO

