AZAD

Precision
Performance
Progress

Annual Report 2023-24

Azad Engineering Ltd's shares were listed on the BSE and NSE on December 28, 2023

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This Annual Report contains forward-looking statements based on current expectations, estimates, and projections about our industry, management's beliefs, and certain assumptions made by the company. These statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Please note that some of the images included in this report are for representative purposes only and may not accurately depict the actual products, facilities, or events.

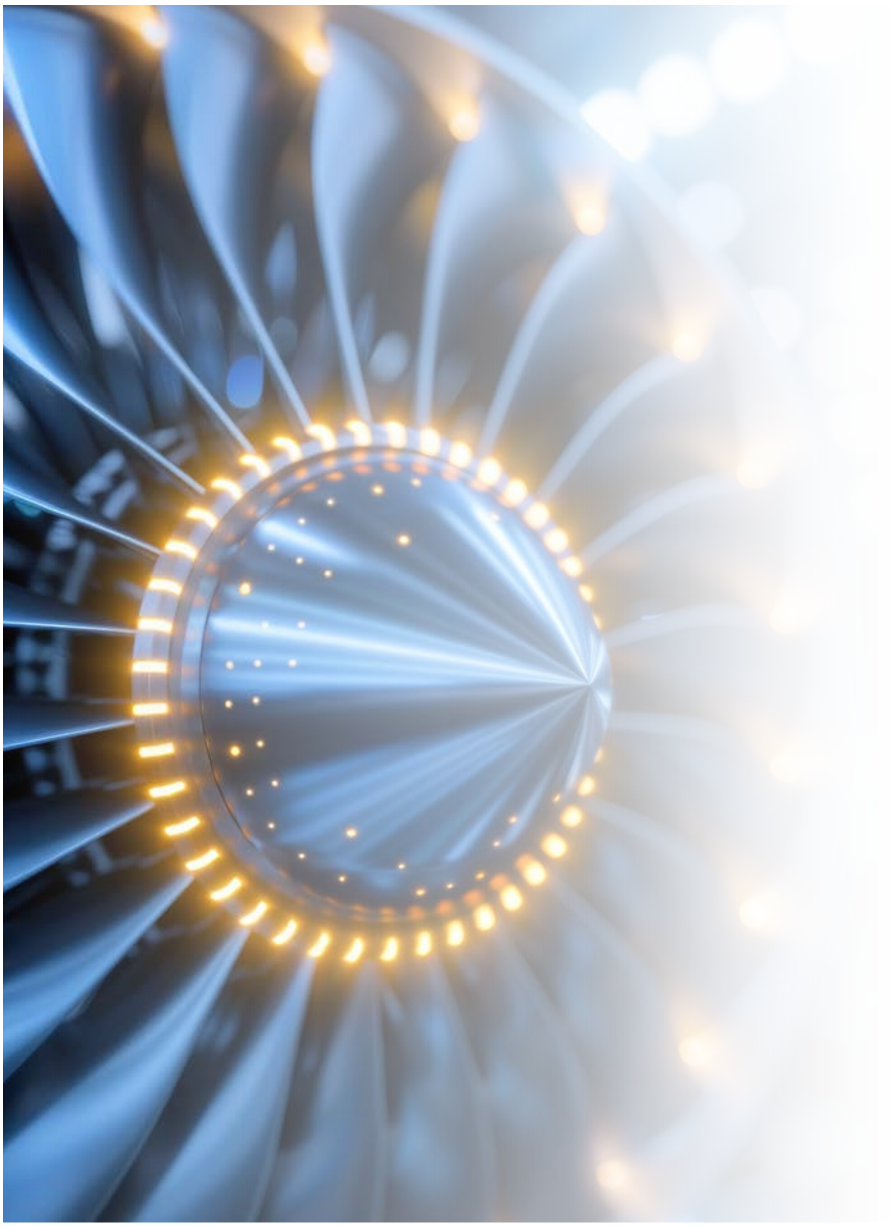
Precision, Performance and Progress are the cornerstones of Azad Engineering Ltd.'s journey. For over 16 years, These principles have driven our pursuit of excellence, enabling us to deliver life and mission-critical components to global OEM's in highly regulated sectors such as Energy, Aerospace & Defence and Oil & Gas across 17 countries By continually refining our processes and expanding our capabilities, we ensure outstanding performance across sectors, propelling our progress and reinforcing our commitment to innovation and sustainable growth in every industry we serve.

About Azad

AZAD Engineering is a global leader in aerospace, defence, oil & gas, energy, and industrial technology, specializing in the manufacturing of highly engineered, complex, and critical high-performance precision components for global OEMs.

Our vision is to transform the global precision manufacturing industry, using cutting-edge technology to disrupt these highly regulated sectors and reshape how India's manufacturing ecosystem is perceived worldwide.

As a trusted, strategic partner to industry-leading customers across 17 countries, AZAD has established a 360-degree ecosystem designed to meet the ever-evolving demands of global OEMs. This holistic approach ensures that we not only deliver unparalleled quality and innovation but also support the long-term growth and sustainability of our partners. By continuously pushing the boundaries of precision manufacturing, AZAD is paving the way for a new era in global engineering excellence.



Key Facts

16
Years of Operations

3
Sectors

1,700
Products

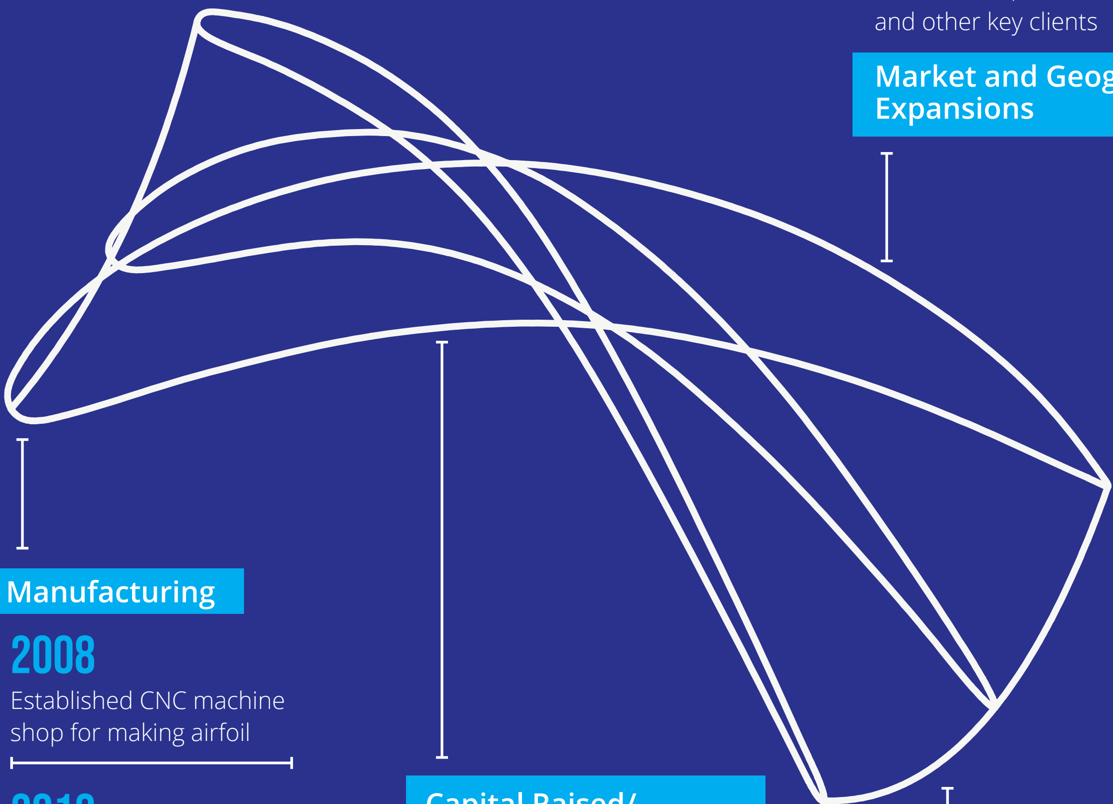
₹3,408million
Revenue

+40.6%
Annual CAGR (FY21-24)

Strategic Milestones

1983

Incorporation of our Company.



Market and Geographical Expansions

2019-21

Entered into a long-term contract with Honeywell International, GE Aviation and other key clients

Manufacturing

2008

Established CNC machine shop for making airfoil

2012

Constructed a forge shop and a heat treatment facility to enhance the capabilities

2014

Moved to new facility to cater the growing demand of new and existing customers

2017

Inaugurated exclusive manufacturing bay for Mitsubishi Hitachi Power Systems Industries, Ltd. to qualify new products, further increase capacity and focus on process innovation

Capital Raised/ Investment

2021

Raised ₹ 600 million in first round to address the up-coming growth

2022

Raised ₹ 2,173 million to give an exit to existing investor and to deploy growth-capex

2023

Onboarded marquee investors from the sports fraternity.

2024

Successful completion of the IPO and listing

Expansions

We are in the process of setting up a centre of Excellence (COE) with ~200,000 sq. mtrs or 10 time of existing facility.

Message From Chairman & CEO

Dear Shareholders,

As I write to you following our successful IPO and listing, I am filled with pride and gratitude. This milestone marks a new chapter for Azad Engineering Limited, and I am excited to share our progress and future plans with you. Our annual report this year revolves around the theme "Precision, Progress, Performance," perfectly encapsulating our unwavering commitment to excellence and our continuous efforts to push the boundaries of growth and innovation.

Since our inception, Azad Engineering Limited has been on a remarkable journey characterised by growth, innovation, and a deepening influence in the sectors we serve. Our ability to anticipate market needs and deliver exceptional value has been instrumental in forging strong strategic partnerships and securing prestigious contracts. Notably, our recent agreements with Rolls Royce, Siemens Energy, Baker Hughes, and GTRE/DRDO under the Ministry of Defence highlight our technical capability and commitment to excellence. Our order book of ~3200 crores and significantly expanding total addressable market (TAM) reflect our capability to ascend the value chain, meeting the rigorous demands of our global clients.

Financial Performance

Our financial performance over the past fiscal year has been strong, demonstrating our ability to execute our strategy effectively and deliver sustainable growth. For FY24, our revenue from operations reached ₹ 3,408 million, reflecting a robust increase of 35.40% compared to FY23. Our enhanced capabilities, strategic partnerships, and expanded market presence drove this significant growth.

Our Adjusted EBITDA also showed impressive growth, rising by 48% to ₹ 1,175 million. This improvement was accompanied by a healthy increase in Adjusted EBITDA margins, which expanded from 31.6% in FY23 to 34.2% in FY24. The increase in EBITDA and margins underscores our focus on operational efficiency and cost management, allowing us to maintain a competitive edge in a challenging market environment. Additionally, Profit After Tax (PAT) saw a remarkable increase of 410.61%, reaching ₹ 586 million for FY24. The PAT margin improved from 3.37% in FY23 to 17.19% in FY24 owing to our significant debt reduction through IPO proceeds. Our focus on profitability reflects our effective cost management, operational strategies, and our ability to scale and grow sustainably.

Strategic Growth and Acquisitions

In alignment with our strategic growth objectives, we have successfully broadened our manufacturing competencies by acquiring assets from Leo Primecomp Pvt. Ltd and VTC Surface Technologies Pvt. Ltd. These

We are focused on leveraging our enhanced capabilities and strategic partnerships to drive sustained growth. We are committed to delivering innovative solutions that contribute to advancing the industries we serve.

acquisitions have enhanced our capabilities in heavy machining and special processes, strengthening our position across key sectors, including nuclear, gas, thermal, and oil & gas. Our ongoing investments in cutting-edge technology and the integration of new capabilities ensure we remain at the forefront of innovation, ready to meet the evolving needs of our clients.

Expanding Market Presence and Strategic Partnerships

Post our IPO, we have onboarded marquee customers such as Rolls Royce and signed long-term contracts. Our estimated size of contracts is 3200 crores across a diversified portfolio of high-complexity precision components that are mission and life-critical.

Focus on Innovation and Operational Excellence

We are focused on leveraging our enhanced capabilities and strategic partnerships to drive sustained growth. We are committed to delivering innovative solutions that contribute to advancing the industries we serve. Our new contracts underscore our role as a strategic supplier in the global supply chain, particularly in the high-complexity precision components sector.

Strengthening Our Competitive Edge

Our business model is built on manufacturing excellence, stringent quality assurance, and collaborative partnerships. We specialise in highly engineered, mission and life-critical components for the aerospace, defense, energy, and oil & gas sectors. By focusing on manufacturing efficiencies, rigorous quality standards, and automation, we deliver a cost advantage and ensure reliability in the supply chain for our global customers. Our state-of-the-art manufacturing facilities and advanced technologies, including robotics for precision engineering, are a testament to our commitment to innovation and quality.

Building Long-term Relationships and Market Position

Moreover, our robust entry barriers, including advanced manufacturing infrastructure, technical expertise, and rigorous qualification processes, ensure that we maintain a strong competitive position in the market. We have built a reputation as a critical supplier in the aerospace and defence markets, driving growth through innovation, precision, and strategic partnerships.

ESG and Future Outlook

We are also deeply committed to Environmental, Social, and Governance (ESG) principles, recognising that sustainable growth is essential for long-term success. This year, we are proud to include our first Business Responsibility and Sustainability Report (BRSR) in our annual report, reflecting our dedication to transparency and accountability in our operations. Our ESG efforts focus on positively impacting our communities and fostering an inclusive and responsible approach to business growth.

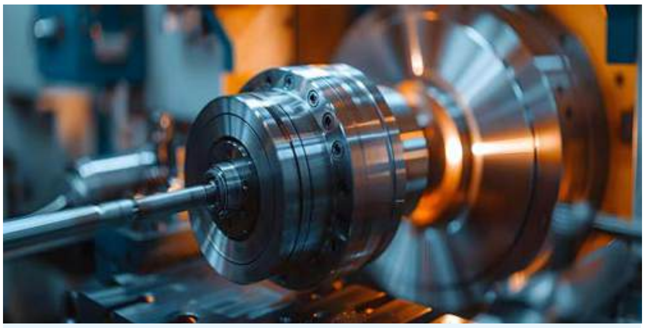
As we continue this exciting journey, I want to thank our shareholders for your unwavering support and confidence in Azad Engineering Limited. Your trust and belief in our vision drive us to achieve new heights. We are enthusiastic about the opportunities and remain dedicated to executing our strategic initiatives to deliver sustained growth and value. Together, we are poised to achieve remarkable success in the future.

Thank you for being a part of our journey.

Sincerely,

Rakesh Chopdar
Chairman & CEO

Our Ethos



Manufacturing Excellence
Specializing in highly engineered, complex, life and mission-critical components for the highly regulated global aerospace, defence, Oil & Gas and energy sectors.

Stringent Quality Control and Assurance
With Zero PPM requirement, rigorous manufacturing, quality control and testing procedures to meet the highest quality and safety standards.

Collaborative Partnership
Engaging closely with global OEMs to provide end-to-end solutions while competing on a global platform has placed AZAD as a strategic supplier. To cater to our growing order book (~3200 crores), we are continuously expanding our manufacturing capacity and capablity since inception. Currently, we are in the process of setting up a centre of Excellence (COE) with ~200,000 sq. mtrs.

Dedicated Team & Manufacturing Setup
Given our wallet share under 1% with our customers, we are in the process of setting up dedicated team and manufacturing setups tailored to meet the specific needs and expectations of our customers eventually leading to business growth through razorsharp customer focus

Cost Competitiveness
Focusing on process excellence, innovation and lean manufacturing principles to provide substantial cost advantages to our OEM's while maintaining highest standards in safety, quality and delivery.

₹ **3,407.7** Million
FY24 Revenue from Operations
+40.6% CAGR FY21-24

34.2%
Reported EBITDA Margin

17.2%
FY24 PAT Margin

~ **87** %
Export Revenue

₹ **3.7** Million
Critical Components Supplied Globally

1400
Happy Employees

1700
Products & 47+ Process

Manufacturing Capabilities

AZAD is developing an optimised and flexible manufacturing ecosystem that leverages a wide-range of customised machines & software, computerized operations, automated processes, and reliable post-production systems.

The company has built an efficient alloy handling system, especially Nickle, Titanium and Nimonic alloys, ensuring that the raw material's quality is uncompromised at every stage.

The company also ensures that its systems stringently adhere to the globally set standards for quality and accuracy, thereby, safeguarding the present and the future generations.

Forging
Precision Forging
Closed Die Forging
Open Die Forging
Cold Forging

Sheet Metal
Metal Forming
Fine Blanking
Punching & Coining
Deep Drawing
Flow Forming

Special Process (NADCAP)
Heat Treatment
HVOF/TBC
Shot Peening
Chemical Processing
Plating
Coating & Painting

AZAD
A Complete Ecosystem

Testing Lab (NABL)
Non Destructive Testing
Destructive Testing
Functional Testing
Balancing (Static & Dynamic)
Fluid Distribution

Metal Joining
Welding (EB, TIG, MIG)
Riveting
Fastening
Brazing
Gluing

Machining
5 – Axis Milling
3/4 - Axis Milling
Ultra-Precision Turning
Bar Feed Turning
Turn Mill, VTL/VTC
High-Precision Grinding
W ire-Cut / Spark Erosion

Automation
Robotics
SPM
SMED
Multi Pallets

Fasteners
ETF
ITF
Spacers
Speciality

Competitive Advantages

Expanding Total Addressable Market (TAM)

AZAD manufactures highly engineered, complex, life- and mission-critical components for the Energy, Aerospace, Defense, and Oil & Gas sectors. With ~70% of the market controlled by a few OEMs, AZAD has been selected as their strategic “Partner of Choice.” By enhancing its technical capabilities, AZAD has the potential to grow its total addressable market from $28 billion+ to over $100 billion, showcasing significant growth opportunities in the near future.

Diversified Product Portfolio

AZAD is one of the few global companies capable of manufacturing critical 3D rotating airfoils, Combustion parts, Engine components, APU components among others for defense and civil aircraft, missiles, nuclear power plants, energy turbines and critical mid stream and downstream components for Oil & Gas sector as well.. These products provide for critical applications that include but are limited to propulsion, actuation, hydraulics and flight-control in these highly regulated industries

High Entry Barriers

Due to the critical nature of its products and the stringent regulations in the sectors it serves, AZAD faces a lead time of 3-5 years for customer onboarding and product qualifications. Despite this, AZAD leads the precision-engineering market with no direct domestic competitors. We compete with global players from US, Europe, China, Japan, Korea and other prominent geographies. Its extensive expertise, supported by over 1,700 qualified products and 45+ manufacturing processes, enables the company to secure qualifications faster, driving rapid growth.

Manufacturing Excellence

AZAD has developed expertise in producing complex 3D twisted airfoils and other criitcal components from exotic alloys, supplying over 3.9 million components with zero defects. As a pioneer in manufacturing technology, AZAD offers components with precise tolerances of 4-5 microns. Its strong design and manufacturing capabilities allow for significantly reduced lead times in customer qualifications, providing a competitive edge in the market.

Unique Value Propositions

Azad Engineering is a critical supplier in the Energy, Aerospace and defence, Oil & Gas Sectors, driving growth through innovation, precision, and strategic partnerships and a razor-sharp 5C framework

Our success is driven by a steadfast commitment to innovation, precision, and strategic partnerships. Central to our growth strategy is the 5C framework, which integrates our core strengths and drives our performance.

Customers

Our foremost priority is to deeply understand and address the evolving needs of our global customer base which are sectoral leaders in Energy, Aerospace and defence, Oil & Gas industries. We have developed deep long-standing relationship that spans over 10 years with clients like GE, MHI, Seimens among others.

Contracts

Securing and managing strategic long term contracts (Over ~3200 crores) is vital to our growth and market positioning. We meticulously oversee each contract, ensuring that we deliver exceptional value and uphold our reputation for reliability and excellence.

Capability

Continuous investment in our technical and operational capabilities is key to our success. By advancing our technologies and nurturing a highly skilled workforce, we maintain our edge in industry advancements and deliver innovative solutions to complex challenges. Today Aad has created 360 degree ecosystem to cater to all the needs of a global OEM's in this highly regulated sectors.

Capacity

As we respond to the increasing demands of our clients, we are actively expanding our production and operational capacities by 10 times over the next few years. This growth enables us to scale our services effectively and adapt swiftly to market needs.

Consistency

At the heart of our operations lies a commitment to consistency. We uphold the highest standards of quality and performance in every project, reinforcing our reliability and building enduring trust with our partners and clients. This is a significant entry barrier for any new entrant in these regulated sectors.

By seamlessly integrating the 5C strategy into our operations, Azad Engineering is not only a pivotal supplier but also a dynamic force driving progress in the Energy, Aerospace and defence, Oil & Gas Sectors. Our strategic approach positions us for sustain long term future growth and continued success.

Unique Value Propositions

Azad's Long-Term Contracts Valued at ~3,200 Crores: Building Trusted OEM Relationships Through Manufacturing Excellence and the Highest Quality Standards.

Azad has established itself as a strategic partner for customers in highly regulated industries, nurturing long-term relationships characterised by high customer loyalty and significant long-term contracts. With integrated manufacturing and engineering capabilities, state-of-the-art facilities, advanced supply chain solutions, and scalable operations, Azad delivers value-added design and engineering services. This approach has enabled the company to sustain relationships averaging over ten years with major OEMs, including GE, Mitsubishi Heavy Industries, and Siemens Energy in the energy sector; Boeing, Honeywell, Eaton, GE Aerospace, and Rolls-Royce in the aerospace and defence sector; and Baker Hughes in the oil and gas sector, among other customers.

Azad's dedication to quality and reliability is evidenced by numerous awards and client accolades. Notable achievements include:

- A Certificate of Appreciation from Mitsubishi Heavy Industries for significant contributions in FY22.
- An "Outstanding Commitment" award from General Electric Gas Power in 2020.
- "Technology Development National Award" award from Technology Development Board Department of Science & Technology Government of India.
- National award presented for 'Commercialization of Indigenous Process of Forging and Machining the Turbine Blade' in 2022.

Unique Value Propositions

Best-in-class engineering, competitive moat, mission-critical components, high complexity, rigorous qualification, substantial investment, operational excellence, and strategic growth.

Azad Engineering Limited prides itself on its best-in-class engineering portfolio, which provides a significant competitive edge in highly regulated industries. As a supplier of choice in these sectors, we are recognized for producing mission- and life-critical components that demand high complexity and precision. Our rigorous vendor qualification processes, which can take up to 30-48 months, underscore our commitment to quality and accuracy.

Moreover, the sectors in which Azad operates present significant entry barriers, such as the need for advanced technical expertise, long gestation periods, substantial upfront capital investment, and the highest standards of quality and consistency. We compete with global players from the US, Europe, Japan, China, Korea, and other regions, which further highlights our competitive advantage. Over the past 16 years, Azad has worked with the most demanding OEMs and has qualified over 1,700 products and 47+ manufacturing processes. Our organizational capabilities align with strategic priorities, supported by more than two decades of experience, a highly skilled senior management team, and deep, long-standing relationships with OEMs. This foundation has enabled us to consistently deliver long term sustainable future growth while maintaining operational excellence and a strong balance sheet.

Looking ahead, we are uniquely positioned to meet the complex and growing needs of our customers. Azad is continually expanding its capabilities and capacity, aiming to increase our business capacity tenfold. Our focus on backward and forward integration, combined with the expanding total addressable market (TAM), prepares us for future growth, supported by our upcoming capacity expansions.

Unique Value Propositions

Azad Engineering's Unparalleled Precision, Innovation, and Rigorous Standards Create Formidable Barriers to Entry, Securing Its Dominance in High-Precision Manufacturing

Azad Engineering's unwavering commitment to unparalleled precision, innovative solutions, and rigorous quality standards establishes significant barriers to entry, reinforcing its leadership in high-precision manufacturing. Our expertise in precision engineering ensures that every component we produce adheres to the stringent tolerances and specifications, which is critical in sectors where accuracy is paramount.

Our onboarding and qualification process for customers and products is a testament to our commitment to quality and reliability. This rigorous process of qualification for a single component/product typically spans 36 to 48 months (including on-boarding of customers), reflecting the complexity and high standards required to meet the demands of highly regulated industries. For instance, achieving our current level of qualifications in the energy sector (900+ products) took us 16 years, highlighting both the gestation period and the depth of our expertise. The credibility we established in energy sector helped us enter and quickly ramp-up the aerospace sector (qualified 600+products) in about 5 years and in the oil and gas sector within 2 years, showcasing our agility and future growth potential.

Our culture of innovation drives the continuous development and implementation of cutting-edge technologies and processes, allowing us to stay ahead of industry trends and maintain a competitive edge. By investing in advanced technologies and fostering a spirit of creativity, we consistently push the boundaries of what is possible in high-precision manufacturing.

Creating Value Through Life and Mission Critical Products

Azad Engineering specializes in providing precision-engineered components across various industries, including aerospace, defense, power generation, and oil and gas. With a focus on innovation and quality, Azad Engineering contributes to the performance and reliability of critical systems, delivering solutions that enhance efficiency and safety across sectors. Our commitment to excellence drives progress in cutting-edge technologies and advanced manufacturing processes.

Powering Aerospace Excellence: Components for Aero Engine Assembly

Azad Engineering's expertise in aerospace engineering shines through in our contributions to military and commercial aircraft engines. Our precision-crafted components, including airfoils, impellers, blisks, and more, form vital parts of aero engine assemblies, ensuring optimal performance and efficiency. These components play a crucial role in business jets, commercial, defence, and training jet aircraft, powering their propulsion systems with unparalleled reliability. Specifically, our turbine airfoils and blades harness the energy of bypassing gas, converting it into rotational motion to drive the engine. With meticulous design and manufacturing, we facilitate the compression of air, a fundamental process in aircraft propulsion, driving performance and safety in the skies.

Products:
Airfoils, Impellers, Blisks, Unison Rings, Arm, Levers

Used in:
Military Jet Engine, Commercial Aircraft Engine

Product Application:
Aero Engine Assembly

End User OEMs:
Business Jet Craft, Commercial Aircrafts, Defence Aircrafts, Training Jet Aircrafts

Empowering Take-off:
APU System Components

Azad Engineering's Auxiliary Power Unit (APU) systems are integral to the aviation industry, catering to various aircraft types, including business jets, commercial aircraft, defence aircraft, and training jet aircraft. These APUs, comprising components such as housing fans, compressors, mounts, support springs, and assemblies, play a vital role in ensuring aircraft independence from external power sources. The APU facilitates smoother operations and increased efficiency by supplying bleed air for air conditioning and engine start-up. Notably, during critical phases like take-off, the APU's capability to power the air conditioning system prevents a reduction in engine thrust, thereby enhancing overall performance and safety standards in the skies.

Products:
Housing Fan, Housing compressor, Housing mount, Housing support spring, Body, Assembly

Used in:
Auxiliary Power Units

Product Application:
Components for better APU efficiency.

End User OEMs:
Business Jet Craft, Commercial aircraft, Defence aircraft, Training Jet aircraft




Optimising Aircraft Performance:
APU Air Generation and Valve Assembly Components

Azad Engineering's Air Generation and Valve Assembly components, utilised in APU systems and aero engines, are critical in regulating airflow within aircraft engines. Consisting of elements such as the body, valve, plate butterfly, seal, shaft, bearing rod, piston, plate, and sealing ring, these meticulously engineered parts facilitate airflow control, enabling efficient temperature regulation throughout the cabin and cockpit. Essential for various aircraft types, including business jets, commercial aircraft, defence aircraft, and training jet aircraft, these components ensure optimal performance and safety standards by regulating airflow and maintaining ideal conditions for passengers and crew onboard.

Products:
Body, Valve, Plate butterfly, Seal, Shaft, Bearing Rod, Piston, Plate, Sealing Ring

Used in:
Auxiliary Power Units and Aero Engines

Product Application:
Airflow Regulation for temperature regulation.

End User OEMs:
Business Jet Craft, Commercial aircraft, Defence aircraft, Training Jet aircraft

Precision Engineering for Missile Systems: Specialized Components

Azad Engineering's contributions to missile systems are paramount in the defence and missile manufacturing industries. Our specialised components, including the Aft End Skirt, Fore End Skirt, BB2KP Base, B1 Igniter Body-1, and B1 Igniter Body-2, are integral parts of missile airframes and boosters. Designed to exacting standards, these components are crucial for ensuring the precision and effectiveness of missile operations. Focusing on target accuracy, trajectory control, and payload delivery, our products play a vital role in achieving mission objectives. Each component is meticulously crafted to withstand the rigours of launch and flight, contributing to the reliability and success of missile systems in defence applications.

Products:
Aft End Skirt, Fore End Skirt, BB2KP Base, B1 Igniter Body-1, and B1 Igniter Body-2

Used in:
Missile Systems

Product Application:
Airframes and Booster

End User OEMs:
Missile Manufacturing

Fuelling Industry: Energy & Power Solutions

Azad Engineering specialises in producing turbine airfoil assemblies for natural gas turbines, including stator and rotor airfoils, guide vanes, compressor airfoils, and hot gas parts. These components are essential for operating gas turbines, which serve various industries, including electric power generation, marine propulsion, industrial applications, emergency power generation, the oil and gas industry, renewable energy integration, district heating and cooling, and waste-to-energy systems. Gas turbines, or combustion turbines, are pivotal in these sectors, converting fuel energy into mechanical energy through combustion. This mechanical energy generates electricity, propels vehicles, or drives various mechanical systems. Azad Engineering's commitment to innovation ensures that gas turbines remain efficient, reliable, and adaptable to evolving technological advancements, supporting the development of sustainable and resilient energy systems.

Products:
Stator and Rotor Airfoils, Guide Vane, Compressor Airfoils, Hot Gas Parts

Used in:
Natural Gas Turbines

Product Application:
In Turbine Airfoils Assembly

End User OEMs:
Power Generation, Marine Propulsion, The Oil and Gas, Renewable Energy Integration, District Heating & Cooling, and Waste-To-Energy Systems

Powering Progress: Azad Engineering's Nuclear Turbine Solutions

Azad Engineering's expertise extends to the production of turbine airfoil assemblies for nuclear power turbines, encompassing fixed airfoils/blades, rotary and welding chamfers for the last stage airfoil/blade, and stationary components for the last stage airfoil/ blade. These precision-engineered components are integral to electricity generation, power production, and baseload power provision, and they ensure a low environmental impact in the energy sector. Furthermore, they contribute significantly to energy security by facilitating diverse energy portfolios and supporting research and development efforts. The nuclear turbine system is a vital component of nuclear power plants, enabling the efficient conversion of nuclear energy into electricity while adhering to stringent safety measures to prevent the release of radioactive materials into the environment.

Products:
Fixed Airfoil/Blade, Last stage Airfoil/Blade-Rotary and welding Chamfers, Last stage Airfoil/Blade-Stationary

Used in:
Nuclear Power Turbine

Product Application:
In Turbine Airfoil Assembly

End User OEMs:
Energy – Nuclear Power Plants

Versatile Applications: Thermal Power Turbine Components

The application of Azad Engineering's Thermal Power turbine spans various industries, primarily focusing on Electric Power generation, Combined heat and power plants, Geothermal power generation, Marine propulsion, District heating and cooling, Desalination plants, Waste-to-energy plants, pulp and paper industry, and sugar mills. Within these industries, the product category comprises Fixed Airfoil/Blade, Moving Airfoil/Blade, and Stage Airfoil/Blade Rotating. These components play a crucial role in steam turbines, which are mechanical devices converting thermal energy stored in steam into mechanical work. This converted energy can then be utilised for diverse purposes such as electricity generation, driving machinery, or facilitating industrial processes. Steam turbines contribute significantly to power generation and industrial operations worldwide with their long-standing presence as a fundamental component.

Products:
Fixed Airfoil/Blade, Moving Airfoil/Blade, Last Stage Airfoil/Blade Rotating

Used in:
Thermal Power Turbine

Product Application:
Thermal Airfoil Assembly

End User OEMs:
Geothermal, Waste to Energy, Power Plants, Combined Heat and Power Plants

Enhancing Aircraft Performance: Aerospace Actuator and Hydraulic Systems

Azad Engineering's Aerospace Actuator Systems, comprising covers, actuators, housings, guides, poppets, nipples, adapters, tees, elbows, end fittings, and caps, are tailored for various aircraft applications, serving Business Jet Aircraft, Commercial aircraft, Defence aircraft, and Training jet aircraft. These systems play a crucial role in aviation, facilitating functions from manoeuvring flight control surfaces to adjusting seating arrangements, ensuring optimal performance across fixed-wing and rotary-wing aircraft and missiles, spacecraft, and marine vehicles. With hydraulic systems offering precise pressure control essential for operating brakes, flaps, thrust reversers, flight controls, and landing gear, Azad Engineering's Actuator Systems uphold aviation standards, reflecting their commitment to engineering excellence in aerospace solutions.

Products:
Cover, Actuator, Housing, Actuator, Cover Housing Actuator, Guide, Poppet, Nipples, Adapters, Tees, Elbows, End fittings, Caps

Used in:
Actuator and Hydraulic Systems in Aircraft

Product Application:
XX

End User OEMs:
Business Jet Aircraft, Commercial aircraft, Defence aircraft, Training jet aircraft.

Empowering Energy Exploration: Cutting-Edge Solutions for Oil and Gas

Azad Engineering specializes in providing essential components for the oil and gas industry's upstream and midstream operations. Within the realm of Up and Mid Stream Sub-systems, Azad Engineering offers a range of products including slips, flex shafts, drill bits, hatch covers, frames, and bonnets. Slips, crucial devices in oil rig operations, securely grip and hold the upper part of a drill string to the drill floor, ensuring safe and efficient drilling processes. Constructed with metal wedges and replaceable steel teeth, slips play a pivotal role in maintaining stability and control during drilling operations. Additionally, Azad Engineering's drill bits are meticulously designed to produce cylindrical holes in the earth's crust using the rotary drilling method, facilitating the exploration and extraction of valuable hydrocarbons such as crude oil and natural gas. With a focus on reliability, durability, and performance, Azad Engineering's products are indispensable assets in the oil and gas industry's pursuit of efficient and sustainable energy production.

Products:
Slips, Flex shaft, Drill bits, Hatch cover, Frame and Bonnet

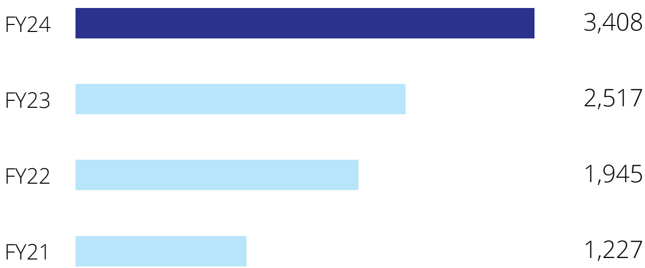
Used in:
Up and Mid Stream- Sub-systems

End User /Product Application:
Oil & Gas

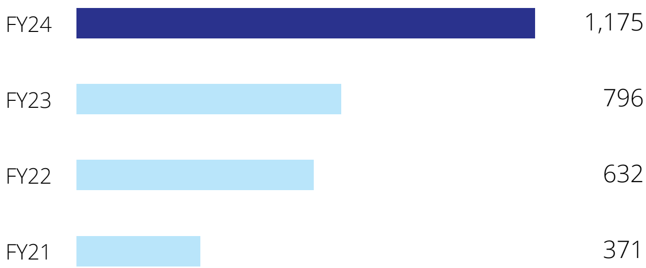
Financial Highlights

All amounts are expressed in ₹ million unless otherwise stated.

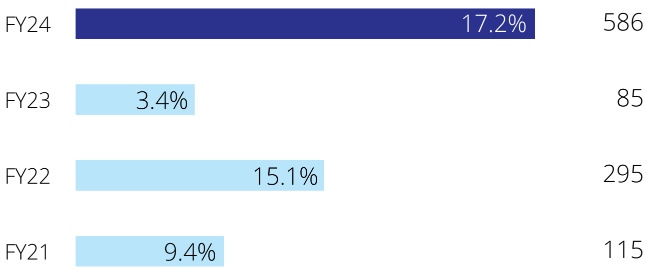
Revenue From Operations



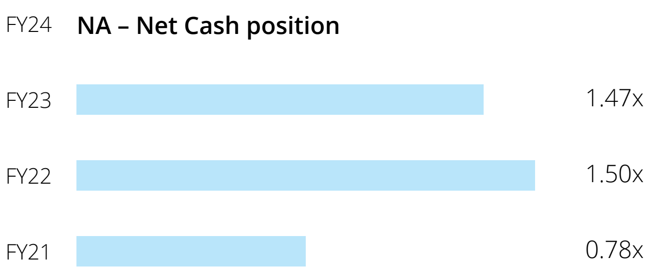
Adj. EBITDA



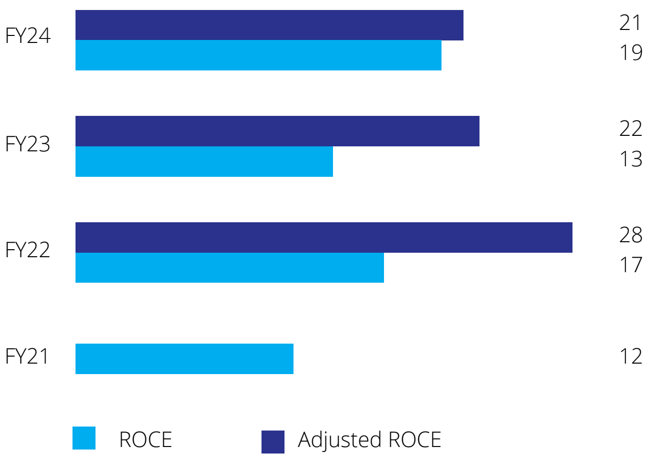
PAT and PAT Margin



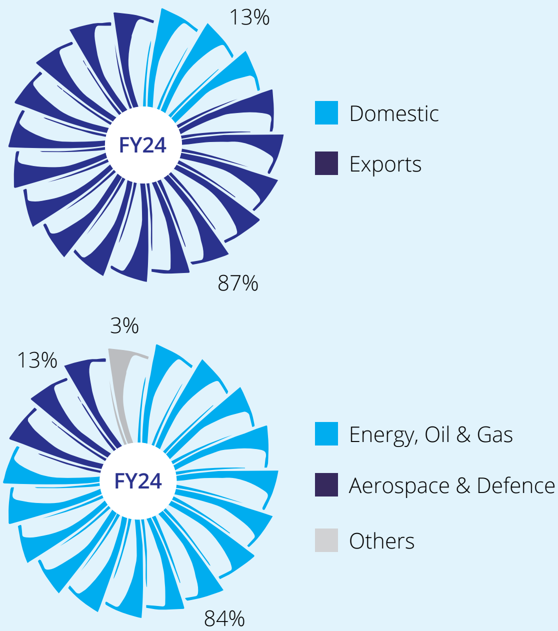
Net Debt to Equity



Return on Capital Employed (%)



Revenue Breakup



Profile of the Board of Directors

Rakesh Chopdar
Chairman and CEO

Rakesh Chopdar spearheads the Company's vision and strategic direction. Educated at Trinity Public School, Hyderabad, he brings over two decades of rich experience in engineering and manufacturing. Rakesh's achievements include clinching prestigious accolades such as the "National Award for Outstanding Entrepreneurship" by the Government of India, MSME in 2012, "Young Asian Entrepreneur 2019-20" awarded by CNBC – TV18 in 2020, and the coveted National MSME Award-2022 for manufacturing export medium enterprise.

Jyoti Chopdar
Whole-Time Director

Jyoti Chopdar, contributes significantly to the Company's operational excellence. After graduating with a bachelor's degree in arts from Kurukshetra University, she has devoted over eight years to our Company's administrative affairs, showcasing commendable commitment and understanding

Vishnu Pramodkumar Malpani
Full-Time Director

Vishnu Maplani holds a bachelor's degree in technology from the esteemed Indian Institute of Technology, Guwahati. He completed the executive education programme on finance for non-finance managers from the prestigious Indian School of Business, further bolstering his expertise. With an illustrious career spanning various esteemed organisations, including Wipro Technologies, Jubilant MotorWorks, and Visaka Industries Limited, Vishnu has been an invaluable asset to our Company for over three years

Michael Joseph Booth
Independent Director

Michael brings a wealth of technical prowess and managerial insight to our board. His educational background includes a higher national certificate and diploma in mechanical engineering from Kilmarnock Technical College. Michael's professional journey features stints at renowned companies such as GE Caledonian Limited and Turbine Services Limited, where he served in key leadership roles.

Subba Rao Ambati
Independent Director

Subba Rao holds a bachelor's degree in Pharmacy (Honours) from Birla Institute of Technology and Science. He also boasts a business management diploma from the Indian Merchants' Chamber, Bombay. Subba Rao's extensive professional experience includes tenures at Mars Therapeutics & Chemicals Limited, Jay Ambe Molecules Pvt. Ltd., and Vanguard Therapeutics Private Limited, showcasing his versatile expertise in marketing and operations.

Madhusree Vemuru,
Independent Director

Madhusree brings a diverse skill set and a wealth of experience to our board. She holds a bachelor's degree in science from Rani Durgavati Vishwavidyalaya, Jabalpur, and is also a member of the Bar Council of the State of Andhra Pradesh. With a career spanning significant roles at Andhra Paper Limited, Mahindra Namaste Pvt. Ltd., and Dr. Reddy's Foundation, Madhusree's insights and leadership add immense value to our Company's governance structure.

Management Team

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary & Compliance Officer

Ashok Gentyala
Head - Engineering & Operations

Balaji PR
Head – Business Growth

Dinesh J Shetty
Head – Supply Chain

Atin Agarwal
Head – Analytics & IT

Matthew Richard Childs
Head – Program Management

Mr. Kumaravel Padavettan
Executive General Manager – Operations

Mr. Shalideen S.
Executive General Manager – Projects

Silpa Kanaka Bellamkonda
Head – Quality Management Systems

Notice of the 41 Annual General Meeting of Azad Engineering Limited

(Formerly known as Azad Engineering Private Limited)
CIN: U74210TG1983PLC004132
Registered Office: 90/C, 90/D, Phase 1, IDA, Jeedimetla , Hyderabad, Telangana-500055, India
Email: cs@azad.in; Phone : +91-40-2309 7007; Website: https://www.azad.in/

NOTICE IS HEREBY GIVEN THAT 41 ANNUAL GENERAL MEETING OF THE MEMBERS OF AZAD ENGINEERING LIMITED ("THE COMPANY") WILL BE HELD ON FRIDAY, 27 DAY OF SEPTEMBER, 2024, AT 3:00 P.M. (IST) THROUGH VIDEO-CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") ORGANISED BY THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS AND THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 90/C, 90/D, PHASE 1, L.D.A, JEEDIMETLA , HYDERABAD, TELANGANA - 500055 , INDIA

ORDINARY BUSINESS:

1) To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2024, together with the reports of Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT *the audited Financial Statements for the financial year ended on 31st March, 2024, together with schedules and notes appended thereto and the report of Directors' and Auditors' of the Company, as tabled before the meeting, be and are hereby received, considered, approved and adopted.*

2) To appoint a director in place of Mr. Vishnu Pramodkumar Malpani (DIN: 10307319), Director who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT *Mr. Vishnu Pramodkumar Malpani (DIN: 10307319), Director who retires by rotation at this Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.*

SPECIAL BUSINESS:

3) To Re-Designate/Promote/Appoint Mr. Kartik Chopdar, holding office or place of profit, as Project Controller (Senior Management) of the Company and revise the upper limit of remuneration that can be paid to him during his tenure, over a period of next 3 years' time, and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT *pursuant to the provisions of Sections 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014, as amended from time to time, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, [including any statutory amendment(s)/ modification(s) or re-enactment applicable/effective thereof for the time being in force] the consent of the members be and is hereby accorded for re-designating/ promoting/ appointing Mr. Kartik Chopdar, who is a relative (Son) of Mr. Rakesh Chopdar, Chairman and CEO of the Company and holding office or place of profit, as* Project Controller (Senior Management) *of the Company and to revise the upper limit of overall remuneration that can be paid to him during his tenure over time, subject to the following:*

At present Mr. Kartik Chopdar acting as the Asst. Project Controller of the Company and his current gross salary is ₹ 3,33,366 /- per month (including all perquisites) with an upper limit of ₹ 4,92,916/- per month (including all perquisites) as approved by Board, respective Committee(s) and Members. On being Re-Designated/Promoted/Appointed as Project Controller (Senior Management) *of the Company, the Company proposes to pay in consideration of the performance of his duties (including all allowances), during the next 3 years with effect from 1st October, 2024, salary/remuneration with an annual increment between 10-25% per annum calculated on last drawn salary and based on attainment of targets / performance in Key Result/ Responsibility Areas (KRAs) (as detailed in explanatory statement annexed to this notice) and as tabled below and also based on approval and recommendations of the Board, Audit Committee, Nomination and Remuneration Committee and the Company's performance in subsequent years. In addition, Management may offer incentives if performance exceeds the set KRAs. However, the monthly remuneration at any time during the tenure of his employment with the Company shall not exceed ₹ 10,00,000 per month (Rupees Ten lakhs only) including all allowances.*

Achievement Level	Increment Range
Below Expectations	*No Increment*
Meet Expectations	*10% Increment*
Exceed Expectations	*15% Increment*
Outstanding Performance	*20% Increment*
Exceptional Performance	*25% Increment*

RESOLVED FURTHER THAT *Mr. Kartik Chopdar shall also be entitled for reimbursement of actual entertainment, traveling, boarding, lodging expenses or any other expenses incurred* *by him in connection with the Company's business, as is re-imbursed to all other employees in similar level as per Company policy.*

***RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized and empowered as and when they may determine and deem fit and proper, to revise the above terms of remuneration and to promote / re-designate/appoint him to higher grade(s) / scale(s) with all perquisites, usual allowances, incentives, facilities and benefits as applicable to such grade(s) / scale(s) within the above limit of remuneration and in conformity with any amendment(s) to the relevant provisions of any applicable Act and /or the rules and regulations made there under and/or such guidelines without requiring the Board to secure any further consent or approval of the members of the Company.*

***RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.*

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: 03.09.2024
Place: Hyderabad

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of businesses to be transacted at the Annual General Meeting ("AGM"), as set out under Item No(s). 2 and 3 above and the relevant details of the Directors as mentioned under said Item No(s). 2 and 3 as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In Compliance with the provisions of the Companies Act, 2013, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 2/2022 dated 5th May, 2022, 10/2022 dated 28th December, 2022 and 09/2023 dated 25th September 2023issued by the Ministry of Corporate Affairs ("MCA") read with Circulars dated 12th May, 2020, 15th January, 2021, 13th May 2022, 5th January, 2023, Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 and other relevant circulars, if any, issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold the Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visual Means ("OAVM") up to 30th September, 2024, without the physical presence of members at a common venue. Hence, in compliance with the aforementioned Circulars, the 41 AGM of the Company is being conducted through VC / OAVM.
3. M/s. KFin Technologies Limited, Registrar & Transfer Agent of the Company ("RTA"), shall be providing the facility for voting and attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of upto 100000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in Annexure II attached to this Notice.
4. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company

situated at 90/C, 90/D, Phase-I, IDA, Jeedimetla , Hyderabad, Telangana-500055, India which shall be the deemed Venue of the meeting. Since the Annual General Meeting will be held through VC, the Route Map is not annexed to this Notice.

5. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by a Member is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Details of the Director seeking appointment/re-appointment at the 41 AGM is provided in Annexure I of this Notice. The Company has received the requisite consents/declarations for the appointment/ re-appointment under the Companies Act, 2013 and the rules made thereunder.

7. Mr. Avinash Kumar Gupt, Practicing Company Secretary (Membership No. ACS-49151) has been appointed as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process before the AGM in a fair and transparent manner.

8. Institutional / Corporate members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote electronically either during the remote e-voting period or during the AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at agupt22@gmail.com with a copy marked to cs@azad.in and secretarial@azad.in In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 20, 2024 to Friday, September 27, 2024 (both days inclusive). Cut-off date is September 19, 2024.** In respect of shares held in electronic form to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

11. SEBI, vide Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17.05.2023 as amended by SEBI Circular No.: SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17.11.2023 mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details including Mobile Number, Bank Account Details and Specimen Signature) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. You may also refer to SEBI FAQs by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ Nos. 38 & 39).

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

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

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

    The following forms have been notified:

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

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

13. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, August 30, 2024 have been considered for the purpose

of sending the Annual Report containing the Notice of the AGM. However, instructions have been given in Annexure II to enable those persons who become members subsequently to receive the Annual Report containing the Notice of the AGM and login credentials.

14. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024) has mandated listed companies to process the following investor service requests only in dematerialized form: (i) issue of duplicate securities certificate; (ii) claim from unclaimed suspense account; (iii) renewal/exchange of securities certificate; (iv) endorsement;(v) sub-division/splitting of securities certificate;(vi) consolidation of securities certificates/folios;(vii) transmission; and (viii) transposition. In view of the above, members holding shares in physical form are advised to dematerialize the shares with their Depository Participant.

15. Electronic copy of all the documents referred to in the accompanying Notice of the 41 AGM, the Explanatory Statement shall be available for inspection in the 'Investors Section' of the website of the Company at www.azad.in

16. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial or Investor Relations Department so as to reach the Company at least 7 working days in advance before the date of the Annual General Meeting, i.e. by **Wednesday, 18th day of September, 2024,** specifying the point(s).

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

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

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

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: 03.09.2024
Place: Hyderabad

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

The following Statement sets out all material facts relating to Items no. 2 to 3 as mentioned in the Notice:

Item no. 2:

Mr. Vishnu Pramodkumar Malpani was appointed as an Additional Director (WholeTime, Professional) of the Company in the Board Meeting held on 13th September, 2023, in accordance with the provisions of section 161 of the Companies Act, 2013 read with the Articles of Association of the Company and considering his varied experience, skills, knowledge & capabilities, the Nomination & Remuneration Committee and the members of the Company appointed, Mr. Vishnu Pramodkumar Malpani as WholeTime Director (Executive, Professional) for a term of 3 years, liable to retire by rotation on September 15, 2023.

Brief Profile of Director seeking Re-Appointment: In terms of provisions of Section 152 of Companies Act, 2013, Mr. Vishnu Pramodkumar Malpani, will retire by rotation and would be eligible for re-appointment in the ensuing Annual General Meeting. In conformity to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors retiring by rotation/seeking re-appointment at the ensuing Annual General Meeting are disclosed below:

Name of Director	Mr. Vishnu Pramodkumar Malpani
Date of Birth	25.02.1988 (Age: 36 years)
Date of First Appointment on Board	13th September, 2023
DIN	10307319
Qualifications	He holds a bachelor's degree in technology from the Indian Institute of Technology, Guwahati, Assam. He has also completed the executive education programme on finance for non-finance managers from the Indian School of Business.
Expertise in specific functional areas	He has previously worked with Wipro Technologies (a division of Wipro Limited) as project engineer, Prashaste Education and Management Consultancy Private Limited as lead consultant, Jubilant MotorWorks Private Limited as senior manager – business analytics, Raam Autobahn India Private Limited (Mercedes Benz Silver Star) as chief executive officer, BVS Nature Fresh Products Private Limited as chief operating officer and Visaka Industries Limited as general manager (strategy and business re-engineering). He has been associated with our Company for over four years.
Terms and Conditions of Appointment/Re Appointment	Not Applicable as he is retiring by rotation and being eligible has offered himself for re-appointment.
Remuneration last Drawn	Rs. 7.2 Million Annually
No. of Board Meetings attended during the year	18
Directorships held in other public companies (excluding foreign companies and section 8 companies)	NA
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholder ' s Committee)	NA
Number of shares held in Company	173430
Inter-se relationships between Directors	Not related to any Director/KMP.

**Status as on 31st March, 2024*

In this regard, the Company has received the consent in writing from Mr. Vishnu Pramodkumar Malpani to act as WholeTime Director (Executive, Professional) and intimations to the effect that he is not disqualified to be appointed as a director in other companies and disclosure of interest in other entities as required under Companies Act, 2013.

Accordingly, the Board recommends the resolution set out at Item No. 2 of the accompanying Notice for your approval in relation to re-appointment of Mr. Vishnu Pramodkumar Malpani as WholeTime Director(Executive ,Professional).

Except Mr. Vishnu Pramod Kumar Malpani, no other Director(s) or Key Managerial Personnel(s) or their relatives is concerned or interested in the Resolution except to the extent of the shareholding.

Item No. 3:

Mr. Kartik Chopdar at present is acting as the Project Controller of the Company and his current gross salary Project Controller of the Company is ₹ 3,33,366 /- per month (including all perquisites) with an upper limit of ₹ 4,92,916/- per month (including all perquisites) as approved by Board and respective Committee(s) at their meetings held on 3rd Sep, 2024,.

Mr. Kartik Chopdar is well qualified academically and associated with company since 17-08-2020, and is responsible for looking after the Projects of various customer, Co-ordination activities of the Company and has been a constant companion in the Company's growth journey by proving his caliber over time and thus considering his contributions and attributes and based on his performance evaluation, the Nomination and Remuneration Committee, Audit Committee and Board of Directors at their respective meetings held on 3rd Sep, 2024, approved and accorded their consent, subject to the approval/ratification of the members in the ensuing 41 Annual General Meeting of the Company, for re-designating/ promoting/ appointing Mr. Karik Chopdar, holding office or place of profit, as Project Controller (Senior Management) of the Company and revise the upper limit of overall remuneration that can be paid to his during his tenure over time.

On being Re-Designated/Promoted/Appointed, the Company proposes to pay in consideration of the performance of his duties (including all allowances), during the next 3 years with effect from 1st October, 2024, salary/remuneration with an annual increment between 10-25% per annum calculated on his last drawn salary and based on attainment of targets / performance in Key Result/ Responsibility Areas in the manner as tabled below and based on approval and re-commendations of the Audit Committee, Nomination and Remuneration Committee and the Board and Company's performance in subsequent years:

Achievement Level	Increment Range
Below Expectations	No Increment
Meet Expectations	10% Increment
Exceed Expectations	15% Increment
Outstanding Performance	20% Increment
Exceptional Performance	25% Increment

Further, the following shall be the Key Result/ Responsibility Areas (KRAs) /Key performance Indicators (KPIs) for his role as**:**

- Creating a Workable Plan
- Scheduling Teams and Processes
- Planning the Deliverables
- Overseeing the Teams;
- Team Leadership and Development;
- Customer Relationship Management;

However, the upper limit of the remuneration that may be paid to his the capacity of Project Controller (Senior Management) of the Company, at any time during the tenure of his employment with the Company shall not exceed ₹ 10,00,000/- per month (Rupees Ten lakhs only) including all allowances.

Mr. Kartik Chopdar is in the exclusive employment of the Company and will not hold a place of profit in any other Company.

The proposed revision in upper limit of the remuneration that can be paid to Mr. Kartik Chopdar as Project Controller (Senior Management)or in any other capacity/designation as Board may decide from time to time, during his tenure of engagement with the Company is required so that on given an increment as per terms and conditions of the resolution in subsequent years his remuneration does not exceed the upper limit as approved by members in terms of the provision of the Act and with over years of experience, the remuneration is commensurate with the remuneration being paid to other employees who are part of the Senior Management of the Company and is considered as reasonable remuneration as compared with the remuneration package for similar position in the industry, as the position demands professional excellence and skepticism and is challenging in nature. Similarly placed employees in the Company are/will be getting comparable remuneration.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	**Mr. Kartik Chopdar**
Name of the director or Key Managerial personnel who is related:	Mr. Rakesh Chopdar Mrs. Jyoti Chopdar.
Nature of relationship:	Mr. Rakesh Chopdar , Chairman & CEO is the father and Mrs. Jyoti Chopdar Mother of Mr.Kartik Chopdar.
Nature, Material terms, Monetary value and particulars of the contractor arrangement:	Mr. Kartik Chopdar is holding office or place of profit as Assistant Financial Controller of the Company at present and is intended to be designated/ promoted as Project Controller of the Company. His designation and remuneration are proposed to be revised as per the terms set out in the resolution given at item no.3 of the Notice.
Any other information relevant or important for the Members to take a decision on the proposed resolution:	Not Applicable.

Except Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board recommends passing of the resolution(s) as set out under Item No. 3 for approval of the Members as Ordinary resolution(s).

No Member of the Company who is a related party shall vote to approve the ordinary resolution.

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Date: 03.09.2024
Place: Hyderabad

Annexure-I

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

Statement of Disclosure:

Name of Director	Mr. Vishnu Pramodkumar Malpani
Date of Birth	25.02.1988 (Age: 36 years)
Date of First Appointment on Board	13th September, 2023
DIN	10307319
Qualifications	He holds a bachelor's degree in technology from the Indian Institute of Technology, Guwahati, Assam. He has also completed the executive education programme on finance for non-finance managers from the Indian School of Business.
Expertise in specific functional areas	He has previously worked with Wipro Technologies (a division of Wipro Limited) as project engineer, Prashaste Education and Management Consultancy Private Limited as lead consultant, Jubilant MotorWorks Private Limited as senior manager – business analytics, Raam Autobahn India Private Limited (Mercedes Benz Silver Star) as chief executive officer, BVS Nature Fresh Products Private Limited as chief operating officer and Visaka Industries Limited as general manager (strategy and business re-engineering). He has been associated with our Company for over four years.
Terms and Conditions of Appointment/Re Appointment	Not Applicable as he is retiring by rotation and being eligible has offered himself for re-appointment.
Remuneration last Drawn	Rs. 7.2 Million Annually
No. of Board Meetings attended during the year	18
Directorships held in other public companies (excluding foreign companies and section 8 companies)	NA
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholder ' s Committee)	NA
Number of shares held in Company	173430
Inter-se relationships between Directors	Not related to any Director/KMP.

*In accordance with Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, memberships/chairmanships of only Audit Committee and Stakeholders Relationship Committee of all other public limited companies, whether listed or not, has been considered.

Annexure-II

Detailed instructions for remote e-voting, the process to receive notice and login credentials by the persons who become members after the cut-off date, participation in the 41 AGM through VC, and for e-voting during the 41 AGM:

VOTING THROUGH ELECTRONIC MEANS (e-voting)

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

   The instructions for e-voting are given herein below:

2. The remote e-voting period would commence on **Saturday, September 21, 2024 at 9:00 a.m. (IST) and end on Thursday, September 26, 2024 at 5:00 p.m. (IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Thursday, September 19, 2024** i.e. Cut-off date, may cast their vote electronically. Those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions earlier through remote e- voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. Members whose names appear on the Register of Members or in the Register of Beneficial Owners as the close of business hours on **Thursday, September 19, 2024** will be considered for the purpose of voting. In compliance with provisions of Section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting facility to its Members holding equity shares as on that date i.e. **Thursday, September 19, 2024** to exercise votes through electronic voting system ('remote e-voting') on the e-voting platform provided by the RTA.

4. Any person who becomes a member of the Company after sending of the Notice and holding shares as of the Cut-off date i.e. **Thursday, September 19, 2024**, may obtain the login ID and password by sending a request at evoting@ Kfintech.com However, if he / she is already registered with KFintech for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.

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

6. The Board of Directors has appointed Mr. Avinash Kumar Gupt, Practicing Company Secretary (Membership No. ACS-49151) as the Scrutinizer to scrutinize remote e-voting process and the e-voting during the AGM in a fair and transparent manner. The Scrutinizer shall, immediately after conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting during the AGM, in the presence of at least two witnesses not in employment of the company and submit not later than 2 working days of the conclusion of the Meeting, the consolidated Scrutinizer's Report in respect of the total votes cast in favour and against in respect of each of the Resolution(s) as set out in the Notice of the AGM, to the Chairman of the Board or to any one of the Directors duly authorized by the Board, in this regard, who shall countersign and declare the same.

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

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

8. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e. **Thursday, September 19, 2024**.

THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE EXPLAINED HEREIN BELOW:

A. Login method for remote e-voting: Applicable only for Individual shareholders holding securities in Demat Mode.

B. Login method for e-voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat).

C. Instructions for Members for attending the AGM through VC/OAVM and e-voting during the meeting.

A. Login method for remote e-voting: Applicable only for Individual shareholders holding securities in Demat Mode OPTION 1 – LOGIN THROUGH DEPOSITORIES:

Individual Shareholders holding securities in demat mode with NSDL	**1. Members who have already registered and opted for IdeAS e- Services facility of NSDL to follow below steps:** 1) Go to URL: https://eservices.nsdl.com 2) Click on the "**Beneficial Owner**" icon under "Login" under "IdeAS" section. 3) On the new page, enter existing User ID and Password. Post successful authentication, click on "Access to e-Voting" under Value Added Services on the panel available on the left-hand side. 4) Click on the "**Active E-voting Cycles**" option under E-voting. 5) Click on the e-Voting link available against '**Azad Engineering Limited**' or select e-Voting service provider '**KFintech**' and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period. **2. For those Members who have not registered for the IdeAS e-Services facility of NSDL** 1) To register click on link: https://eservices.nsdl.com (Select option "**Register Online for IdeAS**" available on the left hand side of the page or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp) 2) Proceed with complete registration using your DP ID, Client ID, Mobile number etc. 3) After successful registration, please follow steps as given in point 1 above to cast your vote. **3. First-time users can visit the e-voting website directly and follow the process below:** 1) Go to URL: https://www.evoting.nsdl.com/ 2) Click on the icon "**Login**" which is available under "**Shareholder/Member/ Creditor' section"**. 3) A new screen will open. Enter User ID (that is, 16-digit demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through the generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen. 4) Post successful authentication, you will be redirected to NSDL Depository site. Click on the "**Active E- voting Cycles/ VC or OAVM"**" option under E-voting . 5) Click on the e-Voting link available against '**Azad Engineering Limited**' or select e-Voting service provider '**KFintech**' and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period. **4. Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for a seamless voting experience.**
Individual Shareholders holding securities in demat mode with CDSL	**1. Members who have already registered and opted for Easi / Easiest facility of CDSL to follow below steps:** 1) Go to URL: https://web.cdslindia.com/myeasitoken/Home/Login or 2) Login with your registered username and password for accessing Easi/ Easiest. 3) The option will be made available to reach e-voting page without any further authentication**.**

4) Click on the e-Voting link available against '**Azad Engineering Limited**' or select e-Voting service provider '**KFintech**' and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period.

2. For those Members who have not registered for the Easi/Easiest facility of CDSL

1) Option to register is available at: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration

2) Proceed with completing the required fields, using your DP ID-Client ID (BO-ID).

3) After successful registration, please follow the steps as given in point 1 above.

3. First-time users can visit the e-voting website directly and follow the process below:

1) Click on the link: https://evoting.cdslindia.com/Evoting/EvotingLogin

2) Provide demat Account Number and PAN No.

3) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.

4) After successful authentication, you will be directed to e-voting module of CDSL.

5) Click on the e-Voting link available against "**Azad Engineering Limited**" or select e-voting service provider "**KFintech**" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

Option 2 – Login through Depository Participants

Individual Shareholder login through their demat accounts / Website of Depository Participant

a) Individual Shareholders holding shares of the company in Demat mode can also access e-voting facility provided by the company using login credentials of their demat account through websites of Depository Participant (**DP**s) registered with NSDL/CDSL for e-voting facility.

b) Once logged-in, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/CDSL Depository site (as may be applicable) after successful authentication wherein you can see e-voting feature.

c) Click on the e-Voting link available against "**Azad Engineering Limited**" or select e-Voting service provider name i.e. **KFintech** and then it will be redirected to e-voting page of service provider website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Important Notes:

Members who are unable to retrieve User ID / Password are advised to use "Forgot user ID"/ "Forgot Password" options available at respective websites of Depositories/ Depository participants.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** or **1800 22 44 30** or call at 022 – 48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll-free no 1800 22 55 33 or call at 022- 23058738, 23058542-43

B. **Login method for e-voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):**

a) Members whose email IDs are registered with the company/ Depository Participants (s), will receive an email from RTA i.e. KFintech which will include details of e-voting Event Number (EVEN)- i.e. [8372], USER ID and password. Members are requested to use these credentials at below mentioned URL. You need to follow the following process:

(i) Please access the RTA's e-voting platform at the URL: https://evoting.kfintech.com/

(ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) **[8372],** followed by folio number. In case of Demat account, User ID will be your DP ID and Client

ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote. If you have forgotten the password, then you may click "**forgot password**" and enter Folio No. or DP ID Client ID and PAN to generate a password.

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

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

(v) Once the password is changed, you need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the "**EVENT**" i.e. "**Azad Engineering Limited- [EVEN NO. 8372]**" and click on "Submit".

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

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

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

(x) You may then cast your vote by selecting an appropriate option and click on **"Submit**".

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

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to cast vote on their behalf through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id agupt22@gmail.com with a copy marked to cs@azad.in. The scanned image of the above-mentioned documents should be in the naming format "**Azad Engineering Limited-[EVEN NO. 8372]**".

(xiii) In case of any query pertaining to e-voting, please refer 'Help' or FAQs' and 'User Manual for shareholders' available at the 'Download' section on the website (bottom corner) of the RTA at https://evoting.kfintech.com/ Member may also call RTA at toll free number 1-800-3094-001 or send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

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

(xv) Members whose E-mail IDs are not registered with the company/DPs and consequently have not received the Notice of Annual General Meeting and e-voting instructions, will have to follow the following process:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to Registrar & Transfer Agent i.e. einward.ris@kfintech.com
- Members may send an e-mail request at einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested copy of PAN and copy of Client Master for sending the Notice of Annual General Meeting and the e-voting instructions.
- After receiving the e-voting instructions, please follow all the steps mentioned below to cast your vote by electronic means.

C. Instructions for Members for attending the AGM through VC/OAVM and e-voting during the Meeting.

(i) Members will be provided with a facility to attend the e-AGM through VC/OAVM provided by RTA i.e. KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the company/KFintech. After logging in, click on the **Video Conference tab** and select the EVEN (i.e. **8372**) of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions as mentioned above.

(ii) Facility for joining AGM though VC/ OAVM mode shall open 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time of the commencement of the Meeting.

(iii) The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page. Members would need to click on the "Instapoll" icon and follow the instructions to vote on the resolutions. Only those shareholders, who are present in the AGM and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the e- AGM.

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

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

(vi) While all efforts would be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. The use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

(vii) Only those Members who will be present in the e-AGM through video conference facility and have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.

(viii) Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.

(ix) A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

(x) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

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

(xii) Members can also use SMS service to get the credentials if their mobile number is registered against Folio No. / DP ID Client ID, by sending SMS: MYEPWD <space> EVEN No. +Folio No. (in case of physical shareholders) or MYEPWD

<space> DP ID Client ID (in case of shares held in DEMAT form) to 9212993399.

1) Example for NSDL:

2) MYEPWD <SPACE> IN12345612345678

3) Example for CDSL:

4) MYEPWD <SPACE> 1402345612345678

5) Example for Physical:

6) MYEPWD <SPACE> XXXX1234567890

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

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

(xv) A video guide assisting the Members attending e-AGM either as a speaker or participant is available for quick reference at URL https://cruat04.kfintech.com/emeetings/video/howitworks.aspx .

INSTRUCTIONS FOR MEMBERS FOR VOTING DURING THE E-AGM SESSION- "INSTA POLL":

(i) Members / shareholders, attending the AGM through Video Conference and who have not cast their vote on resolutions through Remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. Members who have voted through Remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.

(ii) The e-voting window shall be activated upon instructions of the Chairman during the AGM. The Chairman shall formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in this Notice of 41 AGM and shall also announce the start of the casting of the vote at AGM through the e-voting platform of our RTA - KFintech and thereafter the e-voting at AGM shall commence. Upon the declaration by the Chairman about the commencement of e- voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.

(iii) Members to click on the "Instapoll" icon to reach the Resolution page and follow the instructions to vote on the Resolutions. The facility of Instapoll will be available during the time not exceeding 15 minutes from the commencement of e-voting as declared by the Chairman at AGM and can be used for voting only by those Members who hold shares as on the Cutoff Date viz. **Thursday, September 19, 2024** and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

Summarized information at a glance:

Particulars	Details
Time and date of AGM	**Friday, September 27, 2024 at 3.00 p.m. Indian Standard Time ("IST")**
Venue/Mode	Video Conferencing/Other Audio-Visual Means
Link for attending AGM through VC/ OAVM	https://emeetings.kfintech.com
Link for remote e-voting (Please use as applicable to you)	https://evoting.kfintech.com https://eservices.nsdl.com https://evoting.cdslindia.com/Evoting/EvotingLogin
Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using their remote e-voting credentials. Please refer the detailed instructions available in the Notice
Helpline number for VC participation and e-voting	Please contact to KFin Technologies Limited ('KFintech') at 1800-309-4001 or write to them at evoting@kfintech.com
Cut-off date for e-voting	**Thursday, September 19, 2024**
Remote e-voting Start time and date	**Saturday, September 21, 2024 at 9:00 a.m. (IST)**
Remote e-voting end time and date	**Thursday, September 26, 2024 at 5:00 p.m. (IST)**
Book closure dates	**Friday, September 20, 2024 to Friday, September 27, 2024 (both days inclusive)**
Last date for publishing results of e-voting	**On or before October 01, 2024** **(Within 2 Working days of date of AGM)**
E-voting Event Number (EVEN)	**8372**
Registrar and Share Transfer Agent Contact details	Mr. Umesh Pandey, Manager KFin Technologies Limited("**KFIN or KFintech**") Unit: Azad Engineering Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 Email ids: einward.ris@kfintech.com; umesh.pandey@kfintech.com Website: https://www.kfintech.com; Toll free number: 1800-309-4001
Company contact details	Company Secretary and Compliance officer: Mr. Ful Kumar Gautam Contact No.: 7093916512 Email id: cs@azad.in
Link of disclosures on Stock Exchange website and Company website	NSE - https://www.nseindia.com/ BSE - https://www.bseindia.com / Company - www.azad.in

Corporate Information

Board of Directors	**Rakesh Chopdar** - Chairman & CEO **Jyoti Chopdar** - Whole-Time Director **Vishnu Pramod Kumar Malpani** - Whole-Time Director **Madhusree Vemuru** - Independent Director **Subba Rao Ambati** - Independent Director **Michael Joseph Booth** - Independent Director
	Ronak Jajoo - Chief Financial Officer **Ful Kumar Gautam** - Company Secretary & Compliance Officer
Statutory Auditors	**M/s. M S K A & Associates,** Chartered Accountants FRN: 105047W 1101/ B, Manjeera Trinity Corporate, JNTU-Hitec City Road, Kukatpally, Hyderabad, Telangana -500072
Bankers	Union Bank of India IndusInd Bank Ltd. ICICI Bank Ltd.
Plant Locations – Azad Engineering Limited	90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India. Plot No.17/B, Phase - III, Industrial Park, Pashamylaram, Patancheru, Medak 502 205, Telangana, India Industrial shed No. D-42 and 43, T.S.I.I.C, Industrial Developnent Area, Phase - V, Jeedimetla Industrial Park,Quthbullapur Mandal, Medchal - Malkajgiri District Hyderabad 500 055, Telangana, India. 63/A, T.S.I.I.C, Industrial Development Area, Phase – I, Jeedimetla Village, Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District, Hyderabad 500 055, Telangana, India
Registered Office	90/C, 90/D, Phase-I, 1.D.A, Jeedimetla, Hyderabad, Telangana – 500055, India

Board's Report

To
The Members,
Azad Engineering Limited

Dear Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2023-24 of your Company on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on 31st March 2024 (Standalone and Consolidated), and the Auditors' Reports thereon. The Company's financial performance for the year under review along with the previous year's figures are given hereunder:

FINANCIAL RESULTS

(Amount in ₹ in Millions)

Particulars	Consolidated		Standalone	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Income	3407.71	2516.75	3407.71	2516.75
Revenue from operations Other operating Income				
Total Income from Operations	**3407.71**	**2516.8**	**3407.71**	**2516.8**
Less: Total Expenses	2447.13	1959.8	2,447.13	1959.45
Profit/Loss from operations before Other Income and Finance Cost and Exceptional Items	**960.58**	**556.95**	**960.58**	**557.3**
Add: Other Income	319.93	98.46	319.93	98.46
Profit/ Loss from operations after Other Income and before Finance Cost and Exceptional Items	**1,280.51**	**655.41**	**1,280.51**	**655.76**
Less: Finance Costs	472.65	523.82	472.65	523.82
Profit/ Loss before exceptional items and tax	**807.86**	**131.59**	**807.86**	**131.94**
Add/(Less): Exceptional items	0	0	0	0
Profit/Loss from ordinary activity before Taxation	**807.86**	**131.59**	**807.86**	**131.94**
Tax Expense:				
Current Tax	**146.21**	25.74	146.21	25.74
Deferred Tax	**75.85**	18.7	75.85	18.7
Taxation pertaining to earlier years	**-**	2.42	-	2.42
Net Profit/ Loss for the year	**585.80**	**84.732**	**585.80**	**85.082**
Profit/Loss for the year attributable to:				
Equity holders of the Parent Non-controlling interests				
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Remeasurement of the defined benefit plans	-3.58	2.9	-3.58	2.9
(ii) Tax on above	1.04	-0.84	1.04	-0.84
B) Items that will be reclassified to Profit & Loss	0	0	0	0
(i) Foreign Currency Monetary Translation Reserve	0	0	0	0
Total Other Comprehensive Income	**-2.54**	**2.06**	**-2.54**	**2.06**
Total Comprehensive Income for the year comprising Profit/ (Loss) & Other Comprehensive Income	**583.26**	**86.792**	**583.26**	**87.142**

FINANCIAL PERFORMANCE REVIEW FOR F.Y. 2023-24:

Revenue from operations stood at ₹ 3407.71 millions as against ₹ 2516.75 millions in F.Y 2022-23, an increase by 35.40%.

Net profit after tax stood at ₹ 585.80 lakhs as against ₹ 85.082 lakhs in F.Y 2022-23, an increase of 588.51%

CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2023-24, have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company and its subsidiary company, as approved by the respective Board of Directors.

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

The Audited Standalone and Consolidated Financial Statements for the Financial Year 2023-24 will be laid before the Annual General Meeting for approval of the Members of the Company.

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

During the year under review the revenues of the Company have increased from ₹ 2516.75 million to ₹ 3407.71 Million. This is on account of infusion of capex and many products cleared the FAI and moved into the production, thus resulting into growth of revenue by 35% approximately.

DIVIDEND

With a view to conserve resources for future operations and growth, the Board has not recommended any dividend for Financial Year 2023-24.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and the same have been uploaded on the Company's website at: https://www.azad.in/policies/

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2024, the Company do have a subsidiary, namely Azad VTC Private Limited, which were incorporated 29th March 2024. Further, as on 31st March, 2024 the Company did not have any Joint Ventures or Associate Companies.

The particulars have been furnished in Form AOC-1 is in ANNEXURE-A and is attached to this Report.

CHANGES IN THE NATURE OF BUSINESS

During the year under review, there were no changes in the nature of its business.

TRANSFER TO RESERVES

For the financial year ended on 31st March 2024, the Company had transferred:

a. Rs. 503.21 Million i.e. Profit for the year to Retained Earnings Account in Reserves and Surplus;

b. Rs. 3,808.37 Million i.e. Security Premium from issue of equity shares to Security Premium Account in Reserves and Surplus.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2024 is ₹ 11,82,25,986 comprising of 59112993 Equity Shares of ₹ 2 each.

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**		
	75,000,000 Equity Shares (having face value of ₹ 2 each)	150,000,000	-
	Total	150,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	54,532,842 Equity Shares (having face value of ₹ 2 each)	109,065,684	-
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS**		
	Offer of up to 14,122,108* Equity Shares (having face value of ₹ 2 each) aggregating up to ₹ 7399.98 million*	28,244,216	7,399,984,592
	of which		
	Fresh Issue of 4,580,151* Equity Shares (having face value of ₹ 2 each) aggregating up to ₹ 2,400.00 million*	9,160,302	2,399,999,124
	Offer for Sale of 9,541,957* Equity Shares (having face value of ₹ 2 each) aggregating up to ₹ 5,000.00 million*	19,083,914	4,999,985,468
	Which includes:		
	Employee Reservation Portion of up to 76,335* Equity Shares (having face value of ₹ 2 each) aggregating up to ₹ 40.00 million*	152,670	39,999,540
	Net Offer of up to 14,045,773* Equity Shares (having face value of ₹ 2 each) aggregating up to ₹ 7,360.00 million*	28,091,546	7,359,985,052
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	59,112,993* Equity Shares (having face value of ₹ 2 each)	118,225,986	-

CHANGES IN SHARE CAPITAL, IF ANY

During the year under review, the Authorized Share Capital of the Company ₹ 15,00,00,000/- (Rupees Fifteen Crore only) divided into 75000000 (Seven Crore Fifty Lakh) Equity Shares of ₹ 2/- (Rupees Two only).

During the year under review, the paid-up equity share capital of the Company was increased from ₹ 1,65,18,260/- (Rupees One Crore Sixty-Five Lakh Eighteen Thousand Two Hundred and Sixty only) consisting of 1651826 (Sixteen Lakh Fifty-One Thousand Eight Hundred and Twenty-Six only) Equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 11,82,25,986 (Rupees Eleven Crore Eighty-Two Lakhs Twenty-Five Thousand Nine Hundred and Eighty-Six Only) consisting of 59112993 (Five Crore Ninety One Lakhs Twelve Thousand Nine Hundred Ninety Three Only) Equity shares of ₹ 2 (Rupees Two only) each pursuant to

i. To a resolution passed by our Board and Shareholders on September 11, 2023 and September 12, 2023, respectively, our Company sub-divided the face value of its equity shares from ₹ 10 each to ₹ 2 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1651826 equity shares of ₹ 10 each to 8259130 Equity Shares of ₹ 2 each.

ii. Allotment of 41295650 Equity Shares of face value ₹ 2 each as bonus equity shares to eligible shareholders of our Company whose names appear in the register of members/beneficiary's holding position statement as on the record date; i.e., September 1, 2023.

iii. The Conversion of 1600 CCD held by Piramal Structured Credit Opportunities Fund into 4978062 equity shares at INR 321.41022 per equity share (including INR 319.41022 per share as Securities Premium) in accordance with the terms of the agreements with the CCD holders.

- **Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.
- **Sweat Equity:** The Company has not issued any sweat equity shares during the year under review.
- **Employees Stock Option Plan:** The Company has not provided any Stock Option Scheme to the employees.

ANNUAL RETURN

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

PARTICULARS OF BOARD MEETINGS CONDUCTED

During the year under review, the Board meetings 23 times and details of Board Meetings held are given in the Corporate Governance Report.

The intervening gap between the two Meetings were within the time limit prescribed under Section 173 of the Act read with Regulation 17 (2) of the Listing Regulations.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS MADE

There were no loans, guarantees, or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

UNSECURED LOANS FROM DIRECTORS/ RELATIVES OF DIRECTORS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

MATERIAL CHANGES AND COMMITMENTS, IF ANY INITIAL PUBLIC OFFER ("THE IPO")

A major highlight for the year under review was that the Company successfully came out with an Initial Public Offer of equity shares of the company. The issue was Fresh Issue and Offer for Sale of equity shares. The Public Issue was open for subscription from 20th December, 2023 to 22nd December, 2023. Pursuant to the IPO, 14,122,108 equity shares were offered and allotted to the public at price of ₹ 524/- per equity share on 28th December, 2023 under various Categories. The Company received listing and trading approvals from BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE") on 27th December, 2023 and the equity shares were listed on BSE and NSE on 28th December, 2023. Your directors believe that the listing of the Company would provide the right platform to take its brand to greater heights, enhance visibility and provide liquidity to the shareholders.

The Company's IPO received an overwhelming response and was oversubscribed by 83.04 times, reflecting an investor appetite for the issue. The Equity Shares of the Company were listed with a substantial gain from its offer price. The market capitalization of the Company has marked its presence under the list of Top 1000 Companies. As per the market capitalization list released by NSE and BSE, the ranking of your Company stood at 504 as on 31st March, 2024.

We are gratified and humbled by the trust and faith shown in the Company by the market participants and all the investors.

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

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

RISK MANAGEMENT POLICY

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

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

The Company has in place "Risk Management Policy" and has also engaged an external agency to further develop the Enterprise Risk Management Framework of the Company.

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is available on the website of the Company at https://www.azad.in/policies/

Salient features and objectives of the Policy are as follows:

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by Nomination and Remuneration Committee and recommend to the Board their appointment and removal;

b. To lay down criteria to carry out evaluation of every Director's performance;

c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company;

e. To lay down the criteria for making payment of remuneration to Directors, Key Managerial Personnel and Senior Management Personnel.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, the Listing Regulations and Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors. The Independent Directors have also carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole.

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board, Individual Directors & Chairperson of the Company for the Financial Year 2023-24. The Directors expressed their satisfaction with the evaluation process.

AUDIT COMMITTEE

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

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

INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIALS STATEMENTS

The Company has adequate internal financial controls commensurating with its size and nature of its business.

The Board has reviewed internal financial controls of the Company with reference to the Financial Statements of the Company and the Audit Committee monitors the same in consultation with Internal Auditors of the Company.

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

Name	Designation	DIN
Rakesh Chopdar	Chairman and CEO	01795599
Jyoti Chopdar	Whole-Time Director	03132157
Vishnu Pramod kumar Malpani	Whole-Time Director	10307319
Michael Joseph Booth	Independent Director	10309295
Subba Rao Ambati	Independent Director	01722940
Madhusree Vemuru	Independent Director	10304579

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

Name	Date of change	Reason for change in board
Subba Rao Ambati	September 24, 2023	Appointment
Jagadeesh Ambati	September 24, 2023	Resignation due to personal reasons .
Vishnu Pramodkumar Malpani	September 13, 2023	Appointment

Name	Date of change	Reason for change in board
Madhusree Vemuru	September 12, 2023	Appointment
Jagadeesh Ambati	September 12, 2023	Appointment
Michael Joseph Booth	September 12, 2023	Appointment
Gurudutta Mishra	August 21, 2023	Resignation pursuant to withdrawal notice dated August 23, 2023 received by the Company from Piramal Trusteeship Service Private Limited.
Hemant Luthra	August 9, 2023	Resignation due to personal reasons.
Hemant Luthra	June 9, 2023	Appointment

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

In accordance with the provisions of Section 152 of the Act, Mr. Vishnu Pramodkumar Malpani (DIN: 10307319), Whole Time Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Resolutions seeking shareholders' approval for their re-appointment along with other required details forms part of the Notice of 41 Annual General Meeting.

Key Managerial Personnel:

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

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Rakesh Chopdar	Chairman and CEO
2.	Jyoti Chopdar	Whole-Time Director
3.	Vishnu Pramodkumar Malpani	Whole-Time Director
5.	Ronak Jajoo*	Chief Financial Officer
7.	Ful Kumar Gautam	Company Secretary and Compliance Officer

* Appointment as Chief Financial Officer on Sep 14, 2023.

DEPOSITS

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

PARTICULARS OF REMUNERATION TO EMPLOYEES

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

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. That in preparation of the Annual Accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

ii. That such Accounting Policies have been selected and applied by them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period;

iii. That proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That the Annual Accounts have been prepared by them on a going concern basis;

v. That they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

vi. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company is committed to provide a safe and conducive work environment to its employees. In this regard, your Company has constituted an Internal Complaints Committee (ICC) to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. However, during the year under review, the ICC has not received any complaints.

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

During the financial year, no application was made by or against the Company or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

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

During the financial year ended 31st March, 2023, The Company had not entered into any settlement with Banks and Financial Institutions and hence the said clause is not applicable.

AUDITORS

A. Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W) were appointed as Statutory Auditors of the Company for a period of Five years commencing from the conclusion of the Annual General Meeting held for the Financial Year 2022-23 until the conclusion of the Annual General Meeting to be held for the FY 2026-27.

B. Cost Auditors

The provision of Section 148 of the Companies Act, 2013 read with the Companies (Cost records and audit) Rules, 2014, is not applicable to our Company. Hence, the Company has maintained cost records and not appointed any Cost Auditor.

C. Secretarial Auditors

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed.

Prachi Bansal and Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company.

The Secretarial Audit Report given by Prachi Bansal and Associates, Practicing Company Secretaries in Form No. MR-3 is annexed to this Report at Annexure-B.

There is no qualification, reservation or adverse remark in the Secretarial Audit Report submitted by Prachi Bansal and Associates, Practicing Company Secretaries to the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

EXPLANATION TO AUDITORS' REMARKS

Statutory Auditors: The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended on 31st March, 2024 are self-explanatory and therefore do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

Secretarial Auditors :Except as mentioned in the Annexure-B, the observations made by the Secretarial Auditors in their Report for the year ended 31st March, 2024 are self-explanatory and therefore do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.The Secretarial Audit Report in Form MR-3 is annexed herewith as Annexure-B. The Secretarial Audit Report does not contain any other qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management.

The Management of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

VIGIL MECHANISM

The Board at its meeting has adopted a vigil mechanism policy that provides a formal mechanism for all Directors and employees to report their genuine concerns while ensuring that the activities of the Company are conducted in a fair and transparent manner and approach the Board of Directors of the Company about the unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year,there were no complaints received in this respect.

MAINTENANCE OF COST RECORDS

During the period under review, pursuant to Section 148(1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the Company maintains the Cost Records.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A Business Responsibility and Sustainability Report as per Regulation 34 of SEBI Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company at: www.azad.in

ACKNOWLEDGEMENT

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

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Jyoti Chopdar**
Date: 03.09.2024	Chairman & CEO	Whole Time Director
Place: Hyderabad	DIN:01795599	DIN: 03132157

Annexure – A

FORM AOC-1

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

Part A – Subsidiary

Particulars	Name of the Subsidiary Azad VTC Private Limited
The date of acquisition of subsidiary	March 29, 2024
Reporting period, if different from the holding Company	Same as holding company
Reporting currency and exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA
Share Capital	100000
Other Equity	NA
Total Assets	100000
Total Liabilities	100000
Investments	0
Turnover	0
Profit before taxation	0
Provision for taxation	0
Profit for the year	0
Proposed Dividend	0
% of Shareholding	99.98 %

1. Names of subsidiaries which are yet to commence operations: **Azad VTC Private Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not applicable**

Part B – Associates and Joint Ventures – Not Applicable

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

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

By order of the Board of Directors of
Azad Engineering Limited

Date: 03.09.2024
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Jyoti Chopdar
Whole Time Director
DIN: 03132157

Annexure – B

Secretarial Audit Report
(For the Financial year ended on 31st March, 2024)

Form No. MR-3

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

To,
The Members of
Azad Engineering Limited
Hyderabad, Telangana, India.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by Azad Engineering Limited (Formerly known as Azad Engineering Private Limited) (hereinafter referred to as "the Company").

Based on our verification of the books, papers, minutes books, forms, returns filed, and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the financial year ended on 31st March, 2024 has complied with the Statutory Provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ending 31st March, 2024 ("Audit Period") and we report that the Company has complied with the relevant provisions of the Acts, Rules and Standards there under:

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

ii. *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period);

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

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

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not applicable to the Company during the Audit Period);

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

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

   j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. *Listing Agreements entered into by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned hereinabove except for:

i. certain shortcomings in adherence to the applicable Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as required under sub-section (10) of section 118 read with Section 101, of the Companies Act, 2013 were observed;

ii. filing of few forms/returns with the Registrar of Companies are filed beyond the prescribed time and additional fees is duly paid;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Directors.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously and recorded in the Minutes books.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no other specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. referred to above.

For **PRACHI BANSAL & ASSOCIATES**
(Company Secretaries)

CS Prachi Bansal
Proprietor
Membership No: 43355,
UDIN: A043355F000398677
Place: Faridabad
Date: 18.05.2024

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

*Applicable w.e.f., 28th December, 2023 i.e., pursuant to listing of Equity Shares of the Company on BSE and NSE

Annexure-A to Secretarial Audit Report

To,
The Members of
Azad Engineering Limited
Hyderabad, Telangana,
India.

Our Secretarial Audit Report for the Financial Year ended 31st March, 2024 of even date is to be read along with this Annexure.

Management's Responsibility

It is the responsibility of the management of the company to maintain Secretarial Records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and methods as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that the facts reflected in secretarial records are correct. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PRACHI BANSAL & ASSOCIATES**
(Company Secretaries)

CS Prachi Bansal
Proprietor
Membership No: 43355,
UDIN: A043355F000398677
Place: Faridabad
Date: 18.05.2024

Annexure-C

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

(A) Conservation of Energy:

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

(B) Technological Absorption:

1.	The efforts made towards technology absorption	NIL
2.	The benefits derived like product improvement, cost reduction, product development, or import substitution	NIL
3.	Imported technology	NIL
4.	Expenditure on research and development	NIL

(C) Foreign Exchange Earnings and Outgo:

1.	Foreign Exchange Earnings in terms of actual inflow during the year	₹ 2,59,05,87,850
2.	Foreign Exchange outgo in terms of actual outflows	₹ 12,94,74,136

By order of the Board of Directors of
Azad Engineering Limited

Date: 03.09.2024
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Jyoti Chopdar
Whole Time Director
DIN: 03132157

Annexure-D

(i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary & Compliance Officer during the Financial Year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr No	Name of Director /KMP and Designation	Remuneration of Director / KMP for FY 2023-24 (In Lakh)	% increase in remuneration in the Financial Year 2023-24
1	Mr. Rakesh Chopdar, Chairman & CEO	43.49	-
2	Mr. Vishnu Pramodkumar Malpani, Wholetime Director	7.2	70.6 %
3	Mrs. Jyoti Chopdar, Wholetime Director	12.00	-
4	Mr. Ronak Jajoo, Chief Financial Officer	5.29	146 %
5	Mr. Ful Kumar Gautam, Company Secretary & Compliance Officer	1.92	-

(ii) The number of permanent employees on the rolls of Company as on March 31, 2024 was 1212.

(iii) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

By order of the Board of Directors of
Azad Engineering Limited

Date: 03.09.2024
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Jyoti Chopdar
Whole Time Director
DIN: 03132157

Annexure-E

ANNUAL REPORT ON CSR ACTIVITIES

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

<table>
<tr><th>Sr no</th><th>Particulars</th><th colspan="4">Compliance</th></tr>
<tr><td>1</td><td>Brief outline on CSR Policy of the Company</td><td colspan="4">As an integral part of our commitment to good corporate citizenship, we at Azad Engineering Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Company's CSR efforts focus on Health, Education, Environment and Employability interventions for relevant target Groups, ensuring diversity and giving preference to needy and deserving communities in India. CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013.</td></tr>
<tr><td rowspan="4">2</td><td rowspan="4">Composition of CSR Committee</td><td>Name of members of the committee</td><td>Designation / Nature of Directorship</td><td>Number of meetings of CSR Committee held during the year</td><td>Number of meetings of CSR Committee attended during the year</td></tr>
<tr><td>Mr. Rakesh Chopdar</td><td>Chairman of committee, Chairman & CEO</td><td>1</td><td>1</td></tr>
<tr><td>Mr. Vishnu Malpani</td><td>Member of committee, Wholetime Director</td><td>1</td><td>1</td></tr>
<tr><td>Mr. Michael Joseph Booth</td><td>Member of committee, Independent Director</td><td>1</td><td>1</td></tr>
<tr><td>3</td><td>Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.</td><td colspan="4">https://www.azad.in/policies/</td></tr>
<tr><td>4</td><td>Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.</td><td colspan="4">Not Applicable</td></tr>
</table>

Sr no	Particulars	Compliance
5	(a) Average net profit of the company as per sub-section (5) of section 135	Rs. 227.78 Millions
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 4.56 Millions
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Not Applicable
	(d) Amount required to be set off/ carried forward for the financial year, if any	(Rs. 5.81 Millions)
	(e) Total CSR obligation for the financial year (b+c-d)	Rs. 10.37 Millions
6	(a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Projects)	Rs. 5 Million
	(b) Amount spent in Administrative Overheads	Not Applicable
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [a+b+c]	Rs. 5 Million

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

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 5 Million	*Rs. 5.53 Millions	27 March 2024 28 March 2024			

*The company has transferred ₹ 0.16 Million in excess to CSR Account

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

Sr No	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 4.56 Millions
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess/(Short) amount spent for the financial year [(ii)-(i)]	(Rs. 4.56 Millions)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	(Rs. 4.56 Millions)

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in Financial Year: No If Yes, enter the number of Capital assets created/acquired – Not Applicable

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

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

8. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. The Company has identified the ongoing project for the financial year 2023-24. Hence, The Company has transferred the unspent amount to a separate bank account on March 27, 2024 & March 28, 2024 for the year ended March 31, 2024 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22,2021 and as per section 135 (6) of the Companies Act 2013.

By order of the Board of Directors of
Azad Engineering Limited

Date: 03.09.2024
Place: Hyderabad

Rakesh Chopdar
Chairman & CEO
DIN:01795599

Jyoti Chopdar
Whole Time Director
DIN: 03132157

Corporate Governance Report

In compliance with Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as Listing Regulations), Azad Engineering Limited ("the Company") is pleased to submit this report on the matters mentioned in the Para C of Schedule V of the Listing Regulations and the practices followed by the Company in this regard.

A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

BOARD OF DIRECTORS

(a) **Composition and Category of Directors:**

As at the financial year ended March 31, 2024, the Board of Directors (Board) consist of Six Directors having considerable experience in their respective fields. The Board of Directors consist of 3 Executive Directors, 3 Independent-Non-Executive Directors, including one Woman Director. Board represents a balanced mix of professionalism, knowledge and expertise. The Chairman of the Board is an Executive-Promoter Director.

The composition of the Board of Directors is in conformity with Regulation 17 of the listing regulations of SEBI (LODR)

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

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings during the financial year 2023-24.

During the Financial Year 2023-24, the Board met 23 times on the following dates namely, 13th April, 2023, 09th June, 2023, 13th July 2023, 11th September 2023, 13th September 2023, 14th September 2023, 18th September 2023, 22nd September 2023, 24th September 2023, 29th September 2023, 11th November 2023, 06th December, 2023, 11th December, 2023, 14th December, 2023, 16th December, 2023, 23rd December, 2023, 26th December, 2023, 19th January, 2024, 06th February, 2024, 21st February, 2024, 29th February, 2024, 08th March, 2024 and 21st March, 2024.

Details of Directors, details of attendance of directors at board meetings & at the last Annual General Meeting, disclosure of relationship between directors inter-se, number of shares held by directors:

Name of the Director (DIN)	Category of Director	Number of Board Meetings Attended/ Held	Whether attended last Annual General Meeting	Relationship between Directors inter-se	Number of shares held by Directors as on March 31, 2024
Rakesh Chopdar (01795599)	Executive-Chairman & CEO	23/23	Yes	Spouse of Jyoti Chopdar	38330255
Jyoti Chopdar (03132157)	Executive-Wholetime Director	20/23	Yes	Spouse of Rakesh Chopdar	144000
Hemant Luthra (00231420)	Non-Executive Director	1/23	No	-	0

Name of the Director (DIN)	Category of Director	Number of Board Meetings Attended/ Held	Whether attended last Annual General Meeting	Relationship between Directors inter-se	Number of shares held by Directors as on March 31, 2024
Gurudutta Mishra (09649639)	Nominee Director	3/23	No	-	0
Vishnu Pramodkumar Malpani (10307319)	Executive-Wholetime Director	18/23	Yes	-	173430
Madhusree Vemuru (10304579)	Non-Executive-Independent	10/23	No	-	0
Subba Rao Ambati (01722940)	Non-Executive-Independent	13/23	No	-	0
Michael Joseph Booth (10309295)	Non-Executive-Independent	8/23	No	-	0
Jagadeesh Ambati* (10308721)	Non-Executive-Independent	1/23	No	-	0

*Mr. Hemant Luthra resigned on 09th August, 2023 due to personal reasons.*Mr. Gurudutta Mishra resigned on 21st August, 2023 due to withdrawal from Nomination on behalf of Piramal Trusteeship Services Private Limited.*Mr. Jagadeesh Ambati resigned on 24th September, 2023 owing to his pre-occupations.

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

Number of Directorships and Committee Membership/Chairpersonship including the names of the listed entities where the person is a Director and the category of Directorship as on March 31, 2024:

Name of the Directors	Category of Directors	Number of other Directorships/Committee Memberships / Chairpersonships			Other Listed Company Directorship	Category of Directorship
		(#) Other Directorship	Committee (*)			
			Membership of other Public Limited Companies	Chairpersonship of other Public Limited Companies		
Rakesh Chopdar	Executive-Chairman & CEO	6	-	-	-	-
Jyoti Chopdar	Executive-Wholetime Director	5	-	-	-	-
Vishnu Pramodkumar Malpani	Executive-Wholetime Director	0	-	-	-	-
Madhusree Vemuru	Non-Executive-Independent	0	-	-	-	-
Subba Rao Ambati	Non-Executive-Independent	1	-	-	-	Director
Michael Joseph Booth	Non-Executive-Independent	0	-	-	-	-

(*) Committee refers to Audit Committee and Stakeholders' Relationship Committee only of other Public Limited Companies whether Listed or not.

(#) Other Directorship excludes Directorship of Foreign Companies.

None of the Directors of the Company are Directors in more than 10 Public Limited Companies. Further, none of the Directors hold directorships including Independent Directorship in more than 7 Listed Companies. Further, none of the Director is a member of more than ten committees or act as chairperson of more than five committees across all public limited companies, whether listed or not, in which he / she is a Director as per Regulation 26(1) of Listing Regulations.

Web link of Familiarization Programs imparted to Independent Directors:

Details of Familiarization Programs imparted to Independent Directors have been disclosed on the Website of the Company. The same can be viewed at: https://www.azad.in/policies/

In terms of regulation 25(8) of SEBI Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations read with section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

INDEPENDENT DIRECTORS

Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on December 14, 2023, with the following agenda:

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

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and they are independent of the Management.

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

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

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

AUDIT COMMITTEE

Terms of Reference of the Audit Committee:

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

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

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

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

1. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
2. changes, if any, in accounting policies and practices and reasons for the same;

3. major accounting entries involving estimates based on the exercise of judgment by management;
4. significant adjustments made in the financial statements arising out of audit findings;
5. compliance with listing and other legal requirements relating to financial statements;
6. disclosure of any related party transactions; and
7. modified opinion(s) in the draft audit report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Audit Committee shall mandatorily review the following information:

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

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

III. internal audit reports relating to internal control weaknesses;

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

V. statement of deviations:

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

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

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

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

Composition of Audit Committee, Meetings & Attendance during the year 2023-24:

During the year under review, the Board of Directors has constituted the Audit Committee with effect from September 13, 2023.

The Audit Committee comprises of Three Directors as on March 31, 2024 with Mrs. Madhusree Vemuru as the Chairperson of the Committee. The composition of Audit Committee is in compliance of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

During the Financial Year 2023-24, the Audit Committee met seven times on the following dates i.e., 14-09-2023, 22-09-2023, 22-09-2023, 29-09-2023, 06-12-2023, 14-12-2023 and 06-02-2024. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the SEBI Listing Regulations.

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

Name of Director	Position on the Committee	Designation	Number of Meetings Attended during the year
Mrs. Madhusree Vemuru	Chairperson	Independent Director	7/7
Mr. Michael Joseph Booth	Member	Independent Director	7/7
Mr. Vishnu Pramodkumar Malpani	Member	Executive Director	7/7

The Committee's composition meets with the requirements of section 177 of the Act and regulation 18 of the SEBI Listing Regulations.

NOMINATION & REMUNERATION COMMITTEE

(a) Brief description of Terms of Reference:

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

The brief description of Terms of Reference is given below:

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

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

   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   i. use the services of an external agencies, if required;

   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   iii. consider the time commitments of the candidates.

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

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2023-24:

During the year under review, the Board of Directors has constituted the Nomination and Remuneration Committee with effect from September 13, 2023.

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

During the Financial Year 2023-24, the Nomination and Remuneration Committee met Two times on following dates namely, 13th September, 2023 and 24th September, 2023.

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

Name	Position on the Committee	Designation	Number of Meetings Attended during the year
Mr. Michael Joseph Booth	Chairperson	Independent Director	2/2
Mr. Subba Rao Ambati	Member	Independent Director	0/2
Mrs. Madhusree Vemuru	Member	Independent Director	2/2
*Mr. Jagadeesh Ambati	Member	Independent Director	2/2

*Mr. Jagadeesh Ambati resigned on 24th September, 2023 owing to his pre-occupations.

The Committee's composition meets with the requirements of section 178(1) of the Act and regulation 19 of the SEBI Listing Regulations

(c) Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Act, the Listing Regulations and Nomination and Remuneration Policy of the Company, the Nomination and Remuneration Committee ("NRC") and the Board has carried out the annual performance evaluation of the Board, its Committees and individual Directors by way of individual and collective feedback from Directors. The Independent Directors have also carried out annual performance evaluation of the Chairperson, the non- independent directors and the Board as a whole.

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board and Individual Directors and Chairperson of the Company, fulfillment of the independence criteria and independence of Independent Directors from the management for the Financial Year 2023-24.

Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 21st May, 2024 had noted that Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

REMUNERATION TO DIRECTORS

All the Directors except Non-Executive Independent Director are being paid sitting fees of ₹ 30,000/- for attending the Meetings of the Board and ₹ 12000 for Meetings of the Committee thereof and any adjournments thereof or reimbursements of their expenditure for the meetings. There were no other pecuniary transactions of Non-Executive Directors vis-à-vis the Company for the year 2023-24.

The details of payment to Non-Executive Independent Directors for the financial year 2023-24 are as under:

(In Lakhs)

Name of Director	Sitting Fees*	Professional Fees	Remuneration (Commission)	Total
Mrs. Madhusree Vemuru	2.28	-	-	**2.28**
Mr. Subba Rao Ambati	2.22	-	-	**2.22**
Mr. Michael Joseph Booth	1.57	-	-	**1.57**

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

The details of payment to Executive Director for the financial year 2023-24 are as under:

(In Lakhs)

Name of Director	Remuneration (Salary, Perquisites & Incentives)	Sitting Fees	Professional Fees	Commission	Tota
Mr. Rakesh Chopdar	434.90	-	-	-	**434.90**
Mrs. Jyoti Chopdar	120.00	-	-	-	**120.00**
Mr. Vishnu Pramodkumar Malpani	72.00	-	-	-	**72.00**

No performance linked incentives were paid to any of the Directors during Financial Year 2023-24.

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) **Brief description of Terms of Reference:**

The brief description of Terms of Reference is given below:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for the effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
5. carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(b) **Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2023-24:**

During the year under review, the Board of Directors has constituted the Stakeholders' Relationship Committee with effect from September 13, 2023.

During the Financial Year 2023-24 (period under review), the Company has not conducted any Stakeholders' Relationship Committee meeting as the Equity shares of the Company got listed on 28 December, 2023.

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

Name	Position on the Committee	Designation
Mr. Subba Rao Ambati	Chairperson	Independent Director
Mr. Rakesh Chopdar	Member	Director
Mr. Vishnu Malpani	Member	Director
*Mr. Jagadeesh Ambati	Chairperson	Independent Director

*Mr. Jagadeesh Ambati resigned on 24th September, 2023 owing to his pre-occupations.

Name of Non-Executive Independent Director heading the committee	Mr. Subba Rao Ambati
Name and designation of the Compliance Officer	Mr. Ful Kumar Gautam, Company Secretary & Compliance Officer
Number of Shareholders complaints received during the Financial Year 2023-24	94
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints	0

Disclosures with respect to demat suspense account/ unclaimed suspense account

No shares had remained unclaimed as on March 31, 2024 subsequent to IPO of the Company in the month of December, 2023. Hence, no disclosure was required with respect to demat suspense account/ unclaimed suspense account, in accordance with the requirement of regulation 34(3) and Part F of Schedule V of the SEBI Listing Regulations.

RISK MANAGEMENT COMMITTEE

(a) Brief description of Terms of Reference:

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

The brief description of Terms of Reference is given below:

1. To formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2023-24:

During the year under review, the Board of Directors has constituted the Risk Management Committee with effect from September 22, 2023.

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

Name	Position on the Committee	Designation
Mrs. Madhusree Vemuru	Chairperson	Independent Director
Mr. Michael Joseph Booth	Member	Independent Director
Mr. Vishnu Pramodkumar Malpani	Member	Whole Time Director

During the Financial Year 2023-24 (period under review), the Company was not required to conduct any Risk Management Committee meeting as the Equity shares of the Company got listed on 28 December, 2023. Hence, the provisions of Regulation 21 of the Listing Regulations are not applicable to the Company for the Period under review.

SENIOR MANAGEMENT

The senior management personnel of the Company are mentioned below:

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

GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Location	Special Resolution passed
2022-23	26 Day of September, 2023 at 10:30 A.M.	Registered Office	1. To consider and approve amendment of the articles of association. 2. To appoint Mr. Subba Rao Ambati (DIN:01722940) as independent director (non-executive).
2021-22	29 Day of December 2022 at 05:00 P.M.	Registered Office	-
2020-21	27 Day of November 2021 at 11:00 A.M.	Registered Office	-

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

Postal Ballot

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

MEANS OF COMMUNICATION

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

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

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting (AGM):

Date: Friday, September 27, 2024

Time: 03:00 P.M.

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

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

(c) Dividend Payment Date: The Board of Directors have not proposed any dividend for financial year ended March 31, 2024.

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

I. National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.

II. BSE Limited (BSE)

1st Floor, New Trading Ring Rotunda Building, P.J. J.B Towers, Dalal StreetsFort, Mumbai – 400 001, Maharashtra, India.

Listing Fees:

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

(e) Stock Code:

Security	ISIN	Stock Code	
		NSE	BSE
EQUITY	INE02IJ01035	AZAD	544061

(f) Market Price Data: High, Low during each month in the Financial Year 2023-24:

The performance of the Equity Shares of the Company at the Stock Exchanges during the year under review is as follows:

Month	NSE Monthly High Price (₹)	NSE Monthly Low Price (₹)	BSE Monthly High Price (₹)	BSE Monthly Low Price (₹)
December, 2023	727.00	670.00	727.50	670.05
January, 2024	1013.40	642.40	1013.00	641.95
February, 2024	1285.90	892.00	1,286.40	890.60
March, 2024	1465.00	1158.00	1,465.00	1,157.65

[Source: This information is compiled from the data available on the websites of BSE and NSE]

* The equity shares of the Company were listed on BSE and NSE with effect from December 28, 2023.

(g) Registrar and Share Transfer Agents:

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

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

Registered & Corporate Office :

Selenium Building, Tower-B, Plot No. – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Rangareddi, Telangana, India.

Email id: einward.ris@kfintech.com

(h) Share Transfer System:

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

(i) Distribution of Shareholding:

Shareholding	Number of Shareholders	% to Total	Number of Shares	Amount in Rupees	% to Total
1 - 50000	50000	46.73 %	3000270	6000540	5.07 %
50001 – 100000	50000	46.73 %	54078876	108157752	91.49 %
100001 & above	6996	6.54 %	2033847	4067694	3.44 %
TOTAL:	**1,06,996**	**100.00**	**59112993**	**118225986**	**100.00**

(j) Shareholding Pattern as on March 31, 2024 is as under:

Category	No.of Holders	Total Shares	% To Equity
Promoters	1	3,83,30,255	64.842352
Resident Individuals	1,03,855	1,05,35,669	17.822933
Foreign Portfolio - Corp	21	41,23,690	6.975945
Mutual Funds	21	25,49,436	4.312818
Non Resident Indian Non Repatriable	324	11,14,448	1.885284
Promoter Group	8	6,27,521	1.061562
Bodies Corporates	201	6,02,380	1.019031
Non Resident Indians	539	4,39,461	0.743425
Qualified Institutional Buyer	6	3,99,776	0.676291
H U F	2,016	3,79,117	0.641343
Alternative Investment Fund	1	7,090	0.011994
Trusts	3	4,150	0.007020
Total	**1,06,996**	**5,91,12,993**	**100.00**

(k) Dematerialization of shares and Liquidity:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their Shares with either of the Depositories. As on March 31, 2024, 100% of the Company's Equity Shares are in dematerialized form.

The summary of dematerialized Equity Shares of the Company as on March 31, 2024 is as hereunder:

Particulars	No. of Shares	% to Total Share Capital
No. of Shares Dematerialised		
NSDL	15429740	26.10%
CDSL	43683253	73.90%
Total	**5,91,12,993**	**100.00 %**

ISIN number of the equity shares of the Company is INE02IJ01035.

(l) Outstanding GDRs/ADRs/Warrants/ any Convertible Instruments:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2024

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

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

(n) Plant Locations:

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

1. 90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India.
2. Plot No.17/B, Phase - III, Industrial Park, Pashamylaram, Patancheru, Medak 502 205, Telangana, India
3. Industrial shed No. D-42 and 43, T.S.I.I.C, Industrial Developnent Area, Phase - V, Jeedimetla Industrial Park,Quthbullapur Mandal, Medchal - Malkajgiri District Hyderabad 500 055, Telangana, India.
4. 63/A, T.S.I.I.C, Industrial Development Area, Phase – I, Jeedimetla Village, Industrial Park, Quthbullapur Mandal, Medchal - Malkajgiri District, Hyderabad 500 055, Telangana, India

(o) Address for Investor correspondence:
Registered Office:
90/C, 90/D, Phase-I, IDA, Jeedimetla, Hyderabad, Telangana, India-500055
Phone No.: 7093916512
Website: www.azad.in
Email Address: cs@azad.in

(p) list of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: **Not Applicable**

OTHER DISCLOSURES

a) Materially significant Related Party Transactions:

There were no transactions with Related Parties during the Financial Year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the Notes to the Standalone Financial Statements of the Company and in the Board's Report as required under Section 134 of the Companies Act, 2013.

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

b) Details of Non-Compliance:

There were no instances of Non-Compliance imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets since the Company got listed.

c) Vigil Mechanism and Whistle Blower Policy:

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

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

(d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

Mandatory requirements:

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

Adoption of Non-mandatory requirements:

(i) Shareholders' Rights:

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

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

For the Financial Year ended March 31, 2024, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified audit opinion on its Financial Statements.

(iii) Reporting of Internal Auditor:

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

e) Policy for determining 'material' subsidiaries':

The Company has one Unlisted Indian Subsidiary. The Company has no Material Subsidiary as on 31 March, 2024.

f) Details of utilization of funds raised through Preferential Allotment/Qualified Institutional Placement as specified under Regulation 32(7A):

During the year under review, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI Listing Regulations..

g) Disclosure about Directors being appointed/re- appointed:

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

The Company has not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

There is no Non-compliance of any requirement of corporate governance report specified under sub-paras (2) to (10) of part C of Schedule V of the Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CODE OF CONDUCT

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

DECLARATION BY CHIEF EXECUTIVE OFFICER

Declaration signed by Mr. Rakesh Chopdar, Chairman & Chief Executive Officer of the Company, stating that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel is annexed to this Report at **Annexure–I**.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate from Avinash Gupt & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is annexed to this Report at **Annexure-II**.

RECOMMENDATIONS OF VARIOUS COMMITTEES

There were no instances where the Board had not accepted the recommendations of any of the Committees of the Board, during Financial Year 2023-24.

TOTAL FEES PAID TO STATUTORY AUDITORS FOR ALL SERVICES BY THE COMPANY AND ITS SUBSIDIARY COMPANY

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

(Rs. in Lakhs)

Particulars	2023-24
Statutory audit	35.00
Limited Review	3.00
Certification matters - Various matter	-
Tax Audit	-
Retainership for Tax purpose	-
Out of Pocket Expenses	1.00
Total	**39.00**

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

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2024 is given in the Board's Report.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable, with regard to Corporate Governance.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has adopted a Policy for Prevention of Sexual Harassment ("POSH Policy") at the workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ("ICC") has been constituted in compliance with the provisions of the Act and the POSH Policy to review, investigate and take suitable action on complaints.

Details of complaints received and resolved by the ICC during FY 2023-24 are as follows:

Number of complaints pending at the beginning of the year : 0

Number of complaints received during the year : 0

Number of complaints disposed of during the year : 0

Number of complaints pending at the end of the of the year : 0

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

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

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

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

COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

As stipulated in Para E of Schedule V of the Listing Regulations, the Certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance is annexed herewith as **Annexure-III**.

By order of the Board of Directors of
Azad Engineering Limited

Date: 03.09.2024	Rakesh Chopdar	Jyoti Chopdar
Place: Hyderabad	Chairman & CEO	Whole Time Director
	DIN:01795599	DIN: 03132157

Annexure-I

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT

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

This is to confirm that the Company has adopted Code of Conduct for all the members of Board of Directors, Senior Management, Officers and Employees of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management, Officers and Employees of the Company have affirmed compliance with Code of Conduct for the financial year ended on 31st March, 2024.

For Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Date: 30th July, 2024
Place: Hyderabad

Annexure – II

CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Azad Engineering Limited,
Hyderabad

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment in the Company
1	Rakesh Chopdar	01795599	14/08/2003
2	Jyoti Chopdar	03132157	01/07/2014
3	Vishnu Pramodkumar Malpani	10307319	13/09/2023
4	Michael Joseph Booth	10309295	12/09/2023
5	Subba Rao Ambati	01722940	24/09/2023
6	Madhusree Vemuru	10304579	12/09/2023

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

For Avinash Gupt & Co.

Avinash Kumar Gupt
Proprietor
Practicing Company Secretary
Mem No.: ACS 49151
C P No. : 22308
UDIN: A049151F001110728

Date: 02.09.2024
Place: Singrauli

Annexure – III

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

(For the Financial Year ended March 31, 2024 pursuant to Schedule V – Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Azad Engineering Limited
Hyderabad

I/We have examined all relevant documents and records of M/s. Azad Engineering Limited ("the Company") for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The above-referred provisions of the Listing Regulations became applicable on the Company upon the listing of its initial public offerings on December 28, 2023.

I/We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the documents & records produced, management representation, explanations and information furnished, I/We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for the financial year ended 31st March, 2024.

For Avinash Gupt & Co.

Avinash Kumar Gupt
Proprietor
Practicing Company Secretary
Mem No.: ACS 49151
C P No. : 22308
UDIN: A049151F001110794

Date: 02.09.2024
Place: Singrauli

Management Association and Discussion

Global Aerospace & Defence Industry

Status

The global aerospace and defence (A&D) industry is experiencing significant growth and transformation as of 2024. Both the commercial and defence segments are witnessing increased demand. The commercial side is recovering robustly post-pandemic, with air travel expected to exceed pre-pandemic levels by 2024-2025. Meanwhile, geopolitical instability drives defence budgets higher as nations prioritise preparedness and modernise their military capabilities. Innovations in advanced materials, additive manufacturing, automation, and interconnected factories are reshaping production methods, increasing efficiency, and enabling data-driven decision-making.

In terms of financial performance, 2023 set a record for industry revenue of $829 billion, 11% above 2022 and 4% above the previous record set in 2019. This marked a significant milestone of full recovery from the pandemic, at least as measured by overall revenue. Civil aviation companies led the way, as they also did in 2022, with double-digit revenue increases. Out of 100 companies, only eight reported a revenue decline.

Key Trends – Challenges and Opportunities

Despite the positive developments, the global aerospace and defence industry is not immune to challenges. The increasing use of digital technologies and autonomous vehicles has heightened cyberattack vulnerabilities. The industry strongly emphasises enhancing cybersecurity measures to protect sensitive data and maintain operational integrity. Overall, the industry is well-positioned for growth in 2024, driven by technological advancements, increased demand, and strategic innovations. However, companies must remain vigilant and invest in cybersecurity to sustain growth and capitalise on emerging opportunities.

Key Trends – Technology

The global aerospace and defence industry is undergoing a digital transformation. AI and machine learning are key in addressing supply chain issues, enhancing product development, and improving cybersecurity measures. A notable trend is the industry's increasing emphasis on sustainability, with companies developing products that reduce environmental impact and improve fuel efficiency.

The ongoing supply chain disruptions lead to longer lead times and higher costs. In response, companies are creating more resilient supply chains through onshoring and friend-sharing strategies.

A&D companies are accelerating their digital transformation by adopting model-based enterprises and digital twins, which enhance product development and operational efficiencies.

$829 billion

Industry Revenue in 2023

Technology Trends Highlights

- Modernisation of Processes: Manufacturers are modernising processes, technologies, and tools to increase throughput and manage demand fluctuations and costs effectively despite labour and supply chain challenges.
- Integration of IIoT and IT Systems: Employing Industrial Internet of Things (IIoT) technologies and integrating operational technology (OT) and information technology (IT) systems generate better insights, enhancing production yield and product quality.
- Digital Twin Technology: Implementing digital twin technology allows companies to track parts throughout their lifespan, improving maintenance protocols and creating opportunities for aftermarket service provider readiness.
- Investment in Cybersecurity: To protect sensitive data, A&D companies are investing in robust cybersecurity risk management measures and strengthened digital infrastructure systems, addressing the growing risks associated with digital transformations.

Oil and Gas

In 2023, the global oil and gas industry navigated a complex landscape shaped by economic, geopolitical, and technological factors. The industry experienced substantial growth in oil demand, which rose by 2.3 million barrels per day (mbpd), surpassing the 100 mbpd mark for the first time in history. This increase was largely driven by the easing of COVID-19 restrictions, particularly in China, and sustained demand for energy despite global economic uncertainties. At the same time, the global oil supply remained tight due to limited OPEC+ spare capacity and geopolitical tensions, such as the ongoing conflict between Russia and Ukraine. This led to a cautious approach to production increases and a focus on maintaining healthy balance sheets. Upstream investments continued to rise, driven by the need to ensure energy security and affordability.

The oil and gas sector also saw a growing focus on the energy transition and clean energy investments. Companies increasingly invested in carbon capture, utilization, and storage (CCUS), hydrogen, and biofuels as part of broader strategies to adapt to changing market dynamics and regulatory pressures. However, these investments still represented a small fraction of overall capital expenditures, indicating the need for more significant shifts to meet long-term sustainability goals. Technological advancements played a crucial role in this transition, with digital transformation driving efficiency and innovation through technologies like the Industrial Internet of Things (IIoT), Artificial Intelligence (AI), and Digital Twins. These tools helped optimize operations, enhance predictive maintenance, and reduce greenhouse gas emissions, improving operational efficiency and sustainability. Additionally, investments in natural gas and liquefied natural gas (LNG) increased as companies aimed to reduce the carbon footprint of gas production and provide alternatives to regions like Europe, which sought to diversify away from Russian gas. Despite facing challenges like high energy prices, inflation, and supply chain disruptions, the industry's financial health remained robust, allowing for continued investments in traditional hydrocarbons and emerging clean energy technologies.

Energy Sector

In 2023, the energy sector saw significant developments in traditional energy sources, particularly in thermal power, nuclear energy, and hydropower. Despite facing environmental concerns and stricter regulations in many regions, coal power continued to be a vital energy source in countries where energy security and economic factors were prioritised. Investments in clean coal technologies, such as carbon capture and storage (CCS), helped reduce emissions from existing plants, allowing coal to remain an essential component of the energy mix, especially in developing markets that rely on its availability for base-load power. Natural gas emerged as a crucial transition fuel due to its lower carbon emissions than coal, providing a reliable solution for balancing the intermittency of renewable energy sources and meeting peak electricity demands. The increased demand for liquefied natural gas (LNG), particularly in Asia and Europe, highlighted its role in diversifying energy sources and enhancing energy security amidst geopolitical tensions.

Turbine technology advancements across all sectors played a key role in maintaining the relevance of traditional energy sources by enhancing efficiency and reducing operational costs. In thermal power plants, particularly coal and gas, developing high-efficiency, low-emission (HELE) technologies and advanced gas turbines led to improved performance with higher efficiency and lower emissions. These advancements were achieved through optimised combustion processes and advanced materials that withstand higher temperatures. In the nuclear sector, turbines designed explicitly for lower steam temperatures and pressures continued to evolve, increasing the efficiency and reliability of nuclear power while minimising maintenance needs. Hydropower, the largest renewable energy source, also benefited from turbine technology improvements, with adjustable blade designs enabling more flexible and efficient operations across varying water flow levels. Digitalization further enhanced turbine performance, with smart technologies allowing real-time monitoring and predictive maintenance, thus extending the lifespan of turbine components and ensuring the continued viability of traditional energy sources in the evolving global energy landscape.

About the Company

Founded in 2008 by Mr. Rakesh Chopdar, AZAD Engineering is a pioneering first-generation company specialising in precision engineering solutions for Aerospace & defence, Power Generation, and Oil & Gas OEMs. The company aims to revolutionise the Indian manufacturing landscape with precision processes exceeding global standards.

Certifications and Achievements: AZAD Engineering is distinguished by a suite of prestigious certifications, including NADCAP-Fluid Distribution System, AS9100D, and ISO 45001:2018. These certifications affirm AZAD's commitment to product integrity, excellence, and upholding unshakable corporate values.

Growth and Expansion: Over the past decade, AZAD Engineering has demonstrated phenomenal growth. With state-of-the-art facilities and process engineering expertise, the company has established unparalleled supply chain efficiency and infrastructure that surpasses industry norms to meet the demands of OEM clients. AZAD is qualified to manufacture over 1,500 unique parts and export to over 20 countries.

The company is on the brink of significant expansion with the development of two new massive, cutting-edge manufacturing plants, each ten times larger than its current facilities. This expansion positions AZAD for an era of unprecedented growth, driven by an innovative global ecosystem for precision manufacturing.

Business Verticals

Aerospace & defence: Established in 2019, the Aerospace & defence division of AZAD has formed strategic partnerships with major global players, including Boeing, GE Aviation, Honeywell, and TATA Advanced Systems. The company collaborates closely with the Ministry of Defence in India to develop high-quality missile solutions and critical components like Engines, Fuel Systems, Hydraulics, and Cylinders. AZAD's expertise in meeting strict engineering and quality criteria makes it a preferred partner for aerospace and defence applications, contributing to significant projects aligned with national initiatives like the "Make in India" campaign.

Review of Performance Aerospace and Defence

Category	FY24	FY23
Domestic	76.7	51.4
Exports	361.8	173.9
Total	438.5	225.3

Year on Year Growth 95%

Oil & Gas: With substantial experience in complex part manufacturing across various sectors, AZAD has positioned itself as a key player in the Oil & Gas industry. The company works extensively with partners like Baker Hughes, leveraging its capabilities to supply critical components and solutions for the upstream, midstream, and downstream segments. AZAD's focus on cleaner energy sources and cost-saving technologies drives its growth and reputation in the global Oil & Gas market, making it a vital partner for leading clients to enhance efficiency and sustainability.

Power Generation: AZAD Engineering began its journey with a strong focus on the Power Generation sector, particularly through advanced Airfoil manufacturing. The company supplies key components such as Compressor and Turbine Blades for gas, nuclear, and steam turbines, working with industry giants like GE, Siemens, and Toshiba. With a deep involvement in developing solutions for hydrogen and nuclear energy applications, AZAD is well-positioned to capitalise on future energy trends. Their specialisation in Airfoil manufacturing allows them to serve as a leading partner for turbine components, recognised by global certifications and significant partnerships.

Review of Performance

Energy, Oil and Gas

Category	FY24	FY23
Domestic	226.1	341.7
Exports	2620.1	1849.1
Total	2846.1	2190.8

Year on Year Growth 30%

Manufacturing Capabilities

AZAD Engineering has developed an optimised and flexible manufacturing ecosystem that integrates various customised machinery and software, computerised operations, automated processes, and reliable post-production systems. This advanced setup ensures that the quality of materials, particularly in handling high-performance alloys such as Titanium and Nimonic, is maintained at the highest standards throughout all stages of production.

The company's capabilities include:

Forging: AZAD specialises in various forging techniques, including precision forging, closed die forging, open die forging, and cold forging, catering to diverse requirements in manufacturing complex components.

Special Processes (NADCAP Certified): The company offers specialised processes such as heat treatment, HVOP/TBC, shot peening, chemical processing, plating, and coating & painting, all under NADCAP accreditation, ensuring adherence to stringent quality norms.

Metal Joining: AZAD's metal joining capabilities cover a range of techniques, including welding (TIG, MIG), riveting, fastening, brazing, and gluing, providing robust solutions for assembly and fabrication.

Sheet Metal: Expertise in metal forming, fine blanking, punching & coining, deep drawing, and flow forming allows AZAD to produce high-precision sheet metal components.

Testing Lab (NABL Accredited): AZAD's in-house testing lab is equipped for both non-destructive and destructive testing, functional testing, balancing (static & dynamic), and fluid distribution tests, ensuring that all components meet rigorous quality and safety standards.

Machining: The company boasts a comprehensive machining capability that includes 5-axis milling, 3/4-axis milling, ultra-precision turning, bar feed turning, turn mill/VTL/VMC, high-precision grinding, and wire-cut/spark erosion, enabling the production of intricate and high-tolerance components.

Automation: Focusing on modern manufacturing, AZAD incorporates automation using robotics, SPM, SMED, and multi-pallet systems to enhance efficiency, reduce cycle times, and maintain consistency in quality.

Fasteners: AZAD produces a wide range of fasteners, including ETF, ITF, spacers, and speciality fasteners, supporting diverse applications across various sectors.

Financial Performance (in ₹ million)

	FY24	FY23
Revenue from Operations	3,407.7	2,516.8
Reported EBITDA	1,165.9	722.8
Reported EBITDA %	34.2%	28.7%
Finance Cost	472.65	523.82
Profit Before Tax (PBT)	807.9	131.6
Profit After Tax (PAT)	585.8	84.73
PAT Margin	17.2%	3.4%

Ratios

Ratio	% Increase/ (Decrease)	Reason for Change
Return on Equity (RoE)	118.63%	Improvement in ratio due to increase in Profit during the year
Return on Capital Employed (RoCE)	44.51%	The profits of the Company have increased on account of increase in revenue and repayment of its borrowings. Accordingly, the RoCE has increased over last year, which indicates better operational performance and debt management by the Company.
Earnings Per Share (EPS)	522.72%	The increase in profits lead to increase in the EPS.
Debt to Equity Ratio	(96.09) %	Improvement in ratio due to increase in fresh issue of shares, conversion of entire Compulsorily convertible debentures in equity and furthermore foreclosure of loans during current year.
Current Ratio	124.35%	Increase in current ratio due to increase in the business during the year.
Gross Profit Margin	(1.73) %	Not a Major Variance.
Net Profit Margin	410.61%	Increase in ratio due to increase in the profit and revenue during the year.
Operating Profit Margin (EBITDA %)	19.13%	Increase in ratio due to increase in Revenue during the year.
Interest Coverage Ratio	91.14%	Increase in ration due to foreclosure of loans during the year.
Asset Turnover Ratio	(2.96) %	Not a Major Variance.
Inventory Turnover Ratio (times)	(0.04) %	Not a Major Variance.

Human Resources and Industrial Relations

As of today, the company employs approximately **1460** individuals, reflecting our commitment to fostering a diverse and dynamic workforce. Our human resources strategy focuses on talent acquisition, retention, and development to align with our long-term business objectives. We maintain robust industrial relations, characterised by a constructive and collaborative approach with all stakeholders. Through continuous engagement, training programs, and career development opportunities, we strive to create an inclusive and supportive work environment that empowers employees to achieve their fullest potential while contributing to the company's growth and success.

Risk and Risk Mitigation

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

Key Risks:

Market Volatility: Fluctuations in global demand and supply chain disruptions can affect production schedules and revenue.

Mitigation Strategy: We mitigate this risk by maintaining a diversified customer base across multiple sectors and geographies and by building strong relationships with reliable suppliers.

Technological Obsolescence: Rapid technological advancements could render existing equipment or processes outdated.

Mitigation Strategy: To stay ahead, we invest in continuous R&D, upgrade our manufacturing technologies, and foster innovation within our engineering teams.

Regulatory Compliance: The aerospace and defence sectors are highly regulated, with strict compliance requirements that can vary by region.

Mitigation Strategy: We ensure compliance by regularly updating our knowledge of regulatory standards and maintaining robust internal controls and audits.

Operational Risks: High precision in manufacturing processes necessitates a strong focus on quality control and operational efficiency.

Mitigation Strategy: We employ stringent quality assurance protocols and continuous training for our workforce to uphold the highest standards of precision and reliability.

Supply Chain Disruptions: Dependence on specialised raw materials and components poses a risk of supply chain disruptions.

Mitigation Strategy: To counter this, we establish long-term contracts with multiple suppliers and maintain buffer inventories to manage potential supply disruptions.

Internal Control Systems and Adequacy

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

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

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

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

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

Cautionary Forward-Looking Statement

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

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

Business Responsibility & Sustainability Report

Section A) General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: U74210TG1983PLC004132
2. Name of the Listed Entity: Azad Engineering Limited
3. Year of incorporation: 1983
4. Registered office address: 90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana India
5. Corporate address: 90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India
6. E-mail: cs@azad.in
7. Telephone: 91-40-2309 7007
8. Website: https://www.azad.in
9. Financial year for which reporting is being done:2023-24
10. Name of the Stock Exchange(s) where shares are listed: BSE & NSE
11. Paid-up Capital: 11,82,25,986/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Ful Kumar Gautam, 7093916512 cs@azad.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): for the entity and all the entities which form a part of its consolidated financial statements, taken together
14. Name of the assurance provider: NO
15. Type of assurance obtained : NA

II. Product & Services

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

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Manufacturing	Energy (I)	82.21%
2	Manufacturing	Aerospace and defence (II)	12.87%
3	Manufacturing	Oil and gas (III)	1.31%

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

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Airfoil/ blade	2811	65.5%
2	Non-airfoil	2811	16.7%
3	Aerospace and defence Products	2811	12.90%

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	4	1	5
International	0	0	0

19. Markets served by the entity:

a. Number of Locations

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

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

Reply: 87.5%

c. A brief on types of customers

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

IV. Employees

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

SL No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
Employees						
1	Permanent(D)	**355**	**329**	**92.67**	**26**	**7.32**
2	Other than permanent(E)	**0**	**0**	**0**	**0**	**0**
3	Total Employees (D+E)	**355**				
Workers						
4	Permanent(F)	857	850	76.92	7	0.63
5	Other than permanent(G)	248	223	20.18	25	2.26
6	Total Employees(F+G)	1105				

20. b Differently Abled Employees & Workers :

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. ©	% (C/A)
Differently Abled Employees						
1	Permanent(D)	0	0	0	0	0
2	Other than permanent(E)	0	0	0	0	0
3	Total Employees(D+E)	0	0	0	0	0
Differently Abled Workers						
4	Permanent(F)	0	0	0	0	0
5	Other than permanent(G)	0	0	0	0	0
6	Total Employees(F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of directors	6	2	33.33
Key Management Personnel	5	1	20.00

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 23-24 (Turnover Rate in current FY)			FY22-23 (Turnover Rate in previous FY)			FY21-22 (Turnover Rate in the year prior to the previous FY)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	12%	0	12%	14%	1%	15%	15%	0	15%
Permanent Workers	45%	0	45%	45%	0	45%	46%	0	46%

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

c. A brief on types of customers

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

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

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

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹) : 3407.71 (INR Million)

(iii) Net worth (in ₹) 6451.06 (INR Million)

VII. Transparency and Disclosures Compliances

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

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 24 Current financial year			FY 23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www.azad.in/wp-content/uploads/2024/02/Vigil-Mechanism-Policy.pdf	0	0	There were no complaints/ grievances received from any specific community.			There were no complaints/ grievances received from any specific community.
Investors (Other than Shareholders)	Yes, https://www.azad.in/contact/	94	0	This were related to unblocking of Amounts, as we have got listed on 28th Dec 2023.			
Shareholders	Yes, https://www.azad.in/contact	0	0				

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 24 Current financial year			FY 23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees & Workers	Yes, https://www.azad.in/wp-content/uploads/2024/02/Vigil-Mechanism-Policy.pdf	120	120	This is Routine Compliance Regarding KYC and Attendance Regularization	110	110	This is Routine Compliance Regarding KYC and Attendance Regularization
Customers	Yes, The company has a dedicated helpline number (+91-040-2309 7007, 8008) and email info@azad.in which address and resolves all customer Grievances. In addition, the Company responds to customer concerns that it sent to quality & projects teams teams . .						
Value Chain Partners	Yes, https://www.azad.in/wp-content/uploads/2024/02/Vigil-Mechanism-Policy.pdf		There were no complaints/ grievances received from the value chain partners of the Company.				There were no complaints/ grievances received from the value chain partners of the Company.
Other (Please specify)	NA						

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

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

Azad Engineering Limited is submitting its BRSR report for the first time for the FY 23-24. The company has not yet conducted a formal materiality assessment for responsible business conduct (RBC) and sustainability issues because the company has recently shifted towards focusing on sustainability and it is in early stage. Company is committed to conduct a formal materiality assessment in the near future.

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)

SECTION B: Management and Process Disclosures

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					YES				
b. Has the policy been approved by the Board? (Yes/No)					YES				
c. Web Link of the Policies, if available					https://www.azad.in/policies/				
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					No				
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.					1.AS9100D and ISO 9001:2015 (technically equivalent to EN9100:2018 and JISQ9100:2016) for Manufacturing of forged, heat treated and precision machined components for aviation, space, and defence applications. 2. AS9100D and ISO 9001:2015 (technically equivalent to EN9100:2018 and JISQ9100:2016) for Forged, Heat treated and machined components for Engineering Application. 2. NADCAP Fluid Distribution Systems. 3. ISO/IEC 27001 : 2013 for Information Security Management System. 4. ISO 9001:2015 for Manufacturing of Precision machined components Manufacturing of Forged, Heat treated and Precision Machined Components. 5. ISO 14001:2015 for Environmental Management System standard. 6. ISO 45001:2018 for Occupational Health and Safety Management System standard. 7. NABL ISO/IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories.				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.					Our Company is committed for integrating ESG principals into our core strategies and operations. Our goal is to minimize our environmental footprint and reduce energy consumptions by implementing energy efficient technologies and practices.				
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.					The Company remains vigilant in monitoring its adherence to the specified principle(s) and takes appropriate measures whenever necessary.				
Governance, leadership and oversight									

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Given the industry in which the Company operates, the ESG paradigm assumes higher importance; the Company has consistently been helming multiple initiatives to thrive within and yet be fully responsible for its immediate environment. Commitment to sustainability is at the heart of every corporate endeavour and initiative towards growth, prudently nurturing its human quotient, building social capital, while being responsible towards consumption of resources. Core teams have been entrusted with ensuring the sustainability of approach across key corporate functions; in instances addressing key issues like using recyclable Packaging Material, replacing plastic bags with biodegradable bags, water conservation through water saving reducers, solar panel usage and rainwater harvesting among others. The Company remains mindful of its moral responsibilities as a corporate citizen and acts in an ethical manner. At Azad Engineering Limited, our ethos of manufacturing best class products for Energy, Aerospace and defence, Oil and gas. While doing so, we will continue our focus of scaling our ESG performance parameters with global best practices.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	The CSR Committee of the Board is responsible for taking decisions on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies wherever stated have been approved by the Board/Committees of Board/Senior Management of the Company. Policies are reviewed at periodic intervals in all aspects including statutory requirements depending on the frequency stated in respective policies or on a need basis whichever is earlier and necessary updates are made to the policies.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliancesL	The Company has necessary procedures in place to ensure the compliance with all relevant regulations and the Board of Directors periodically reviews the same.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	NO, The Company has necessary procedures in place to ensure the compliance with all relevant regulations and the Board of Directors periodically reviews the same.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	-								

Section C) PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

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

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	The Board of Directors and Committee members were apprised on SEBI Regulations, IT Risk Governance including Data Privacy and Cyber Security, and Corporate Social Responsibility.	100%
Key Managerial Personnel	1	The KMPs were apprised on SEBI Regulations, IT Risk Governance including Data Privacy and Cyber Security, and Corporate Social Responsibility.	100%
Employees other than BoD and KMPs		The training and awareness programmes for employees are broadly being conducted in the following areas: a. Health and Safety b. Skill Upgradation c. POSH d. Data Security e. Human Rights f. Code of Conduct	90%
Workers		a.Health and Safety. b. Fire Drill c.Human Rights	85%

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

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	NIL				
Settlement	NIL				
Compounding Fee	NIL				

B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	NIL			
Punishment				

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

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

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

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

	FY 24 (Current financial year)	FY 23 (Previous financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Particulars	FY24 (Current financial year)		FY 23 (Previous financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL		NIL	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Reply: Not applicable, as there were no such cases of corruption and conflict of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Revenue from Operation services procured) in the following format:

	FY24 (Current financial year)	FY23 (Previous financial Year)
Number of days of accounts payables	53	66

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY24 (Current financial year)	FY23 (Previous financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not applicable as the Company does not purchase raw material from traders, We directly procure from manufacturer, qualified by our customers.	
	b. Number of trading houses where purchases are made from	Not applicable as the Company does not purchase raw material from traders, We directly procure from manufacturer, qualified by our customers.	
	c. Purchases from top 10 trading houses as % of total purchases from trading houses.	Not applicable as the Company does not purchase raw material from traders, We directly procure from manufacturer, qualified by our customers.	
Concentration of Sales	a.Sales to dealers /distributors as % of total sales	Not applicable as the Company does not provide its products through dealers/distributer.	
	b. Number of dealers/ distributors to whom sales are made	Not applicable as the Company does not provide its products through dealers/distributer.	
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors	Not applicable as the Company does not provide its products through dealers/ distributer.	
Share of RPTS in	a.Purchases (purchases with related parties/Total purchases)	0.0013%	1.65%
	b. Sales (Sales to related parties/ Total Sales)	0.51%	0.32%
	c. Loans and advances*(Loans and advances given to related parties/Total loans and advances)	0	0
	d. Investments* (Investments in related parties/Total investments made)	0	0

*Does not include loans & advances given to and investments made in subsidiary company(ies).

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
NOT APPLICABLE		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, details of the same.

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	Currently the company is in process to track the R&D expenses done in order to improve the environmental and social impacts of the products and process
Capex	0	0	Currently the company is in process to track the Capex expenses done in order to improve the environmental and social impacts of the products and process

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

2. Sustainable Sourcing

   a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   b. If yes, what percentage of inputs were sourced sustainably?

   REPLY:

   A. No, the Company does not have a procedure yet for sustainable sourcing where all the new and existing supply chain partners are evaluated on ESG parameters. But, it should be noted that our 95% of raw material is steel and that is sourced from well-known best steel companies in India who adhere to all the ESG requirements to make them sustainable material.

   B. We are in the process of developing a system to certify the sustainability quotient of our major raw materials. It should be noted that our 95% of raw material is steel and that is sourced from well-known best steel companies in India and abroad who adhere to all the ESG requirements to make them sustainable material

3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for

   a. Plastics (Including Packaging)

   b. E-Waste

   c. Hazardous waste

   d. other waste

   The company manufacture Turbine Blades and Aerospace, Defence related components for its customers. All waste is processed through authorised Re-Processor as per approved vendors by Pollution Control Board.

4. Extended Producer Responsibility (EPR)

   Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

   The Extended Producer Responsibility is not applicable since the Company does not qualify to be a Producer under the Plastic Waste Management Rules, 2016.

Leadership Indicators

1. Life Cycle Assessment

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.

The Company does not have any specific product to reclaim at the end of life. However, at the project and operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement for the above waste being generated during course of construction and operation. Our major waste Steel and perlite is reclaimed and recycled.

NIC Code	Name of Product / Service	% of total turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency	Results communicated in public domain (Yes/ No) If yes, provide the web-link

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

Name of the product /Service	Description of the risk/concern	Action Taken

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable, as our raw material is stainless Steel of high grade.

Indicate Input Material	Recycled or re-used input material to total material	
	FY24 urrent financial Year	FY23 Previous Financial Year

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable

Category	FY24 Current Financial Year			FY23 Previous Financial Year		
	Re-used	Re-Cycles	Safely Disposed	Re-used	Re-Cycles	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1.

a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	1170	494	42%	494	42%	-	-	NA		NA	
Female	32	3	9%	3	9%	32	100%	NA		NA	
Total	1202	497	41%	497	41%						
Other than permanent employees											
Male											
Female											
Total											

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male											
Female											
Total											
Other than permanent workers											
Male											
Female											
Total											

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY ____ Current Financial Year	FY ____ Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company		

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY24 Current Financial Year			FY23 Previous Financial Year		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	17%	67%	Y	9%	76%	Y
Gratuity	0	13		6	13	
ESI	4%	46%	Y	3%	55%	Y
Others – specify						

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	NA			
Female	NA			
Total	NA			

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	YES – Online app
Other than Permanent Workers	NO
Permanent Employees	YES – Online app
Other than permanent Employees	NO

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY24 Current financial Year			FY23 Previous Financial Year		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male	NA					
Female	NA					
Total Permanent Workers						
Male	NA					
Female	NA					

Category	FY24 Current financial Year					FY23 Previous Financial Year				
	Total (A)	On health and safety Measures		On skill upgradation		Total	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)	(D)	No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male										
Female										
Total										
Workers										
Male										
Female										
Total										

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation
9. Details of performance and career development reviews of employees and workers:

Category	FY24 Current financial Year			FY23 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male						
Female						
Total						
Workers						
Male						
Female						
Total						

10. Health and safety management system
    a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

       YES
    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

       YES
    c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

       Y
    d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

       YES
11. Details of safety related incidents

Safety Incident / Number	Category	FY 24Current financial Year	FY 23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describer the measures taken by the entity to ensure a safe and healthy work-place.
13. Number of complaints made by employees and workers

	FY24 Current Financial Year			FY23 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	0	0		0	0	0
Health & Safety	0	0		0	0	0

14. Assessments for the year

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties
Health and safety practices	60%
Working Conditions	60%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
   NA
2. Provide measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Yes
3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24 (Current Financial Year)	FY23 (Previous Financial Year)	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Employees	NA			
Workers	NA			

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & and safety practices	Not Applicable
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the process for identification of key stakeholder groups of the entity.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement

Leadership Indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Principle 5. Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY24 Current financial Year			FY23 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent						
Other than Permanent						
Total Employees						
Workers						
Permanent						
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format

Category	**FY24 Current financial Year**					**FY23 Previous Financial Year**				
	Total (A)	**Equal to Minimum Wage**		**More than Minimum Wage**		**Total (D)**	**Equal Minimum Wage**		**More than minimum wage**	
		No.(B)	**%(B/A)**	**No.(C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No.(F)**	**% (F/D)**
Employees										
Permanent	**355**			**355**	**100%**					
Male	**329**			**329**	**100%**					
Female	**26**			**26**	**100%**					
Other than Permanent	**0**			**0**						
Male	**0**			**0**						
Female	**0**			**0**						
Workers										
Permanent	**857**			**857**	**100%**					
Male	**850**			**850**	**100%**					
Female	**7**			**7**	**100%**					
Other than Permanent	**248**			**248**	**100%**					
Male	**223**			**223**	**100%**					
Female	**25**			**25**	**100%**					

3 Details of remuneration/ salary/ wages (including differently abled)

Category	**Male**		**Female**	
	Number	**Median remuneration/ salary/wages of respective category**	**Number**	**Median remuneration/ salary/wages of respective category**
Board of Directors				
Key Managerial Personal				
Employees other than BoD and KMP	**329**	**67119**	**26**	**34379**
Workers	**850**	**19393**	**7**	**15978**

4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY24 Current financial Year	**FY23 Previous Financial Year**
Gross wages paid to females as % of total wages	**2%**	**2%**

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY24 Current Financial Year			FY23 Previous Financial Year		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	**0**	
Discrimination at workplace	0	0		0	**0**	
Forced Labour/ Involuntary Labour	0	0		0	**0**	
Wages	0	0		0	**0**	
Other human right related issues	0	0		0	**0**	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY24 Current Financial Year	FY23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

10. Assessments of the year

Category	% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)
Child Labour	0
Forced/Involuntary Labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

11. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
2. Details of the scope and coverage of any Human rights due-diligence conducted.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

4. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced labour/Involuntary Labour wages	0
Others – please specify	0

5. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY24 (Current financial Year)	FY23 (Previous financial Year)
From renewable sources		
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable resources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	0	
Total fuel consumption (E)	0	
Energy consumption through other sources (F)	0	
Total energy consumed from non-renewable resources (D+E+F)		
Total energy consumed. **(A+B+C+D+E+F)**		
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output		
Energy intensity *(optional)* – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

NO

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY24 Current Financial Year	FY23 (Previous financial Year)
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	2,862	NA
(iii) Third party water		
(iv) Seawater / desalinated water	0	
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,862	
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency

N

4. Provide the following details related to water discharge – *Total volume of water withdrawal and water consumption has been assumed the same.

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
6. Please provide the details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	FY2024 (Current financial Year)	FY2023 (Previous financial Year)
NOx	**µg/m³**	15.6 Test Method: IS 5182: P 23: 2006, RA 2017	23 Test Method: IS 5182: Part 2: 2001
Sox	**µg/m³**	12.4 Test Method: IS 5182: P 2: 2001, RA 2017	30 Test Method: IS 5182: Part 6: 2006
Particulate Mater	**µg/m³**	32 Test Method: IS 5182 P-24: 2019	35 Test Method: 5182 part 23 -1999
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify			

Instruction /Guidance

Entities should disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**Environment test monitoring by CLEAN ENVIRO LABS & GLOBAL ENVIRO LABS**

7. Please provide the details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY 2024 (Current financial Year)	FY 2023 (Previous financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**		
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Plant Carbon Foot Print		10371.24 Ton CO_2 per year
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Combined Emission Factor for End-User Consumption (grid emission factor including AT&C losses)		1.25 kg CO_2/ kWh

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency **Name of the External Agency: Edge Technologies**

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.
9. Provide details related to waste management by entity , in the following format

Parameter	FY24 (Current financial Year)	FY 23 (Previous financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)	**0**	
Battery waste (E)	**0**	
Radioactive waste (F)	**0**	
Other Hazardous waste (G). Please specify if any		
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector		
Total (A+B+C+D+E+F+Gg+H)		
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) –the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i.Re-cycled		
ii.Re-used		
iii.Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i.Incineration		
ii.Landfilling		
iii.Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

    NOT APPLICABLE

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

    The Company has not undertaken any EIA project during the year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Based on the nature of Business, the Company is compliant with all applicable laws/regulations/guidelines.

SL No	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		0	0	

Leadership Indicators:

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY24 (Current financial Year)	FY23 (Previous financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		

Parameter	FY24 (Current financial Year)	FY23 (Previous financial Year)
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

2. Please provide the details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY24 (Current financial Year)	FY23 (Previous financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

Sl No.	Initiative undertaken	**Details of the initiative** (Web-link, if any, along-with summary)	Outcome of the initiative

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations.

2

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	FTCCI	TELANGANA & ANDHRA PRADESH
2	EEPC	INDIA

2. Provide Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities. : NIL

Name of authority	Brief of the case	Corrective actions taken

Leadership Indicators

1. Details of public policy positions advocated by the entity:NA

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly /Quarterly / Others – Please specify	Weblink, if available

Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. NA

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format - NA

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY(In INR)

3. Describe the mechanisms to receive and redress grievances of the community
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	5%	3
Directly from within India	37	23

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 24 (Current Financial Year)	FY 23 (Previous Financial Year)
Rural	20%	20%
Semi-Urban	18%	19%
Urban	40%	38%
Metropolitan	22%	23%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leaders Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above) NA

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies

SL No.	State	Aspirational District	Amount Spent (In ₹)
1	Maharashtra	Mumbai	50,00,000

3. a. Do you have any preferential procurement policy where you give preference to purchase from suppliers comprises marginalized /vulnerable groups (Yes/No) YES

   b. From which marginalized /vulnerable groups do you procure? We procure from MSME vendors

   c. What percentage of total procurement (by value) does it constitute? 5%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge. (Not Applicale)

Sl No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. (NIL)

Name of the authority	Brief of the case	Corrective action taken

6. Details of the beneficiaries of CSR projects

Sl NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Improving Medical & Educational Activities.	500	100%

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

   The Company receives customers' queries and complaints through various channels, including voice calls, emails, mobile, and chat. The First Call Resolution (FCR) is provided wherever possible and in case the complaint is not FCR, the request has been raised and tagged internally to ensure close tracking of complaints and queries. If the client is not satisfied with the resolution provided, then the complaint is thereafter discussed with the concerned internal stakeholders for effective closure to the satisfaction of the consumer. The average span of closure is within 48 hours.

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about : Not Applicable

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following

Particulars	FY24 (Current financial year)		Remarks	FY 23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0			0		
Advertising	0			0		
Cyber-security	0			0		
Delivery of essential services	0			0		
Restrictive Trade Practices	0			0		
Unfair Trade Practices	0			0		
Other	NA			NA		

4. Details of instances of product recalls on account of safety issues: Not Applicable

Particulars	Number	Reasons for recall
Voluntary recalls	0	
Forced recalls	0	

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy. Yes, https://www.azad.in/policies/

6. Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. : Not Applicable

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches :0

   b. Percentage of data breaches involving personally identifiable information of customers:0

   c. Impact, if any, of the data breaches: Not Applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (web link, if available). https://www.azad.in/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Not Applicable, We directly Supply to OEMs

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Not Applicable, We directly Supply to OEMs

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Not Applicable, We directly Supply to OEMs

Standalone Independent Audit Report

Opinion

We have audited the accompanying standalone financial statements of Azad Engineering Limited (formerly known as Azad Engineering Private Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc., but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement and Director's report etc. is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and board of directors for the Standalone Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g)

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements.

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

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

      iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used an accounting software for maintaining its standalone books of account during the year ended March 31, 2024,which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of the software (SAP B1) to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level, as stated above, in respect of which the audit trail facility has not operated throughout the year. Also, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid / provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIV9663

Place: Hyderabad
Date: May 21, 2024

Annexure A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIV9663

Place: Hyderabad
Date: May 21, 2024

Annexure B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2024

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(a) B The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment and right-of-use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right-of-use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including right-of-use assets) during the year. The Company does not have any intangible assets. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and/ financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not generally been regularly deposited by the Company with the appropriate authorities though delay in deposit have not been serious.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (₹ in Mn).	Amount Paid (₹ in Mn)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	7.56	4.96	AY 2015-16 & AY 2020-21	CIT (Appeals)
The Income Tax Act, 1961	Income Tax	19.67	2.00	AY 2021-22 & AY 2022-23	Central Board of Direct Taxes
Customs Act, 1962	Customs Duty	75.11	-	From AY 2020-21 to AY 2023-24	Commissioner of customs

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanation given to us, monies raised during the year by the Company by way of initial public offer were applied for the purpose for which they were raised, as detailed below:

Nature of the fund raised	Purpose for which funds were raised	Total amount to be utilised net of actual IPO Expenses (₹ in mn)	Amount utilized for the purpose (₹ in mn)	Unutilized / (Excess utilized) balance as at balance sheet date (₹ in mn)**	Details of deviation
Initial Public Offer	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)	*
		2,227.49	1,797.88	429.61	

*The Company has utilized ₹ 420.00 mn towards general corporate purpose as against the amount of ₹ 241.66 mn as estimated and stated in the prospectus. The excess utilization of ₹ 178.34 mn, from the proceeds estimated for the capital expenditure, is within the limit of 25% of gross proceeds of fresh issue as set out in the prospectus as per the requirement of SEBI ICDR Regulations.

**Idle / surplus funds which are not required for immediate utilization have been invested in fixed deposits with scheduled commercial banks as well as maintained in current account with monitoring agency. The maximum amount of idle/surplus funds invested during the year was ₹ 1500.00mn of which ₹ 300.00mn invested in fixed deposits and ₹ 111.67mn maintained with monitoring agency and earmarked bank account respectively was outstanding at the end of the year.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 45 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Companies Act, 2013. Refer Note 28 to the standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIV9663

Place: Hyderabad
Date: May 21, 2024

Annexure C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED (FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Azad Engineering Limited(formerly known as Azad Engineering Private Limited) on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to standalone financial statements of Azad Engineering Limited(formerly known as Azad Engineering Private Limited) (the "Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIV9663

Place: Hyderabad
Date: May 21, 2024

Standalone Balance Sheet
as at March 31, 2024

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

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	2,545.41	2,096.83
Right-of-use assets	3(b)	27.33	-
Capital work-in-progress	4	454.34	379.86
Financial assets			
(i) Investments	5	-	62.82
(ii) Other financial assets	6	246.92	38.68
Other non-current assets	7	479.71	475.67
Total non-current assets		**3,753.71**	**3,053.86**
Current assets			
Inventories	8	1,329.63	860.63
Financial assets			
(i) Trade receivables	9	1,699.53	1,186.63
(ii) Cash and cash equivalents	10(a)	281.86	193.93
(iii) Bank balances other than (ii) above	10(b)	307.32	333.27
(iv) Other financial assets	6	-	0.91
Other current assets	11	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	12	118.23	16.52
Other equity	13	6,332.83	2,023.79
Total equity		**6,451.06**	**2,040.31**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	271.13	2,206.54
(ia) Lease liabilities	3(b)	20.05	-
Provisions	17	36.08	25.64
Deferred tax liabilities (net)	18	210.68	135.87
Total non-current liabilities		**537.94**	**2,368.05**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	100.44	797.40
(ia) Lease liabilities	3(b)	2.71	-
(ii) Trade payables	16		
(a) total outstanding dues of micro and small enterprises		208.62	191.78
(b) total outstanding dues of creditors other than micro and small enterprises		290.49	303.00
(iii) Other financial liabilities	19	118.63	123.36
Provisions	17	4.26	2.74
Other current liabilities	20	228.72	38.44
Current tax liabilities (net)	21	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 forming part of the standalone financial statements 1-44

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Standalone Statement of Profit and Loss
for the year ended March 31, 2024

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

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Income			
Revenue from operations	22	3,407.71	2,516.75
Other income	23	319.93	98.46
Total income (I)		**3,727.64**	**2,615.21**
II. Expenses			
Cost of materials consumed	24(a)	667.63	495.22
Changes in inventories of finished goods and work-in-progress	24(b)	(207.41)	(193.71)
Employee benefits expense	25	742.65	592.69
Finance costs	26	472.65	523.82
Depreciation and amortisation expense	27	205.30	165.83
Other expenses	28	1,038.96	899.42
Total expenses (II)		**2,919.78**	**2,483.27**
III. Profit before tax for the year (I-II)		**807.86**	**131.94**
IV. Tax expenses	37		
Current tax		146.21	28.16
Deferred tax		75.85	18.70
Total tax expense (IV)		**222.06**	**46.86**
V. Profit after tax for the year (III-IV)		**585.80**	**85.08**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		(3.58)	2.90
Tax related to above items		1.04	(0.84)
Total other comprehensive (loss) / income for the year (VI)		(2.54)	2.06
VII. Total comprehensive income for the year (V + VI)		**583.26**	**87.14**
VIII. Earnings per share (Face value of share ₹ 2 each)			
- Basic	31	11.20	1.80
- Diluted		11.20	1.80

See accompanying notes forming part of the standalone financial statements 1-44

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Standalone Statement of Changes in Equity
for the year ended March 31, 2024

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

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2022		**15,13,200**	**15.13**
Changes in equity share capital during the year	12	1,38,626	1.39
As at March 31, 2023		**16,51,826**	**16.52**
Changes in equity share capital during the year	12	5,74,61,167	101.71
As at March 31, 2024		**5,91,12,993**	**118.23**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Total
		Securities premium	Retained earnings	Capital redemption reserve	Remeasure-ment of defined benefit obligations	
Balance as at April 01, 2022	**13**	**2.97**	**1,146.87**	**39.00**	**(3.82)**	**1,185.02**
Profit for the year		-	85.08	-	-	85.08
Other comprehensive income (net of tax)		-	-	-	2.06	2.06
Issue of equity shares		571.63	-	-	-	571.63
Allotment of Equity shares pursuant to conversion of CCD's into Equity		180.00	-	-	-	180.00
Balance as at March 31, 2023	**13**	**754.60**	**1,231.95**	**39.00**	**(1.76)**	**2,023.79**
Profit for the year		-	585.80	-	-	585.80
Other comprehensive income (net of tax)		-	-	-	(2.54)	(2.54)
Issue of equity shares		2,390.84	-	-	-	2,390.84
Allotment of Equity shares pursuant to conversion of CCD's into Equity		1,590.04	-	-	-	1,590.04
Share issue expenses		(172.51)	-	-	-	(172.51)
Amount utilised for bonus issue		-	(82.59)	-	-	(82.59)
Balance at March 31, 2024		**4,562.97**	**1,735.16**	**39.00**	**(4.30)**	**6,332.83**

See accompanying notes forming part of the standalone financial statements 1-44

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Standalone Statement of Cash Flows
for the year ended March 31, 2024

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

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities			
Profit before tax		807.86	131.94
Adjustments for :			
Depreciation and amortisation expense		205.30	165.83
Finance costs		472.65	523.82
Loss due to fire		-	31.79
Gain on derecognition of financial liabilities		175.62	-
Net unrealized foreign exchange gain		(6.24)	(27.15)
Provision for credit impaired trade receivable		21.39	4.75
Interest income		(14.02)	(26.73)
Profit on sale of property plant and equipment		(42.00)	-
Gain on sale of investment in subsidiary		(56.03)	-
Operating profit before working capital changes		**1,564.53**	**804.25**
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(528.05)	(417.92)
Inventories		(469.00)	(308.27)
Other financial assets		(207.92)	(17.15)
Other current assets		(337.05)	(80.84)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		4.33	49.64
Other financial liabilities		18.03	(34.74)
Provisions		11.96	14.92
Other liabilities		19.96	(15.55)
Cash generated from / (used in) 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)**	**(102.05)**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in progres and capital advances)		(753.36)	(856.22)
Proceeds from sale of property plant and equipment		42.02	18.77
Proceeds from sale of investment in subsidiaries		118.86	-
Deposits (placed)/ matured with banks		25.95	(200.79)
Interest received		14.02	26.73
Net cash flow used in investing activities	**B**	**(552.51)**	**(1,011.51)**

Standalone Statement of Cash Flows Cont...
for the year ended March 31, 2024

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

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
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
Repayment of long term borrowings		(955.27)	(614.88)
Proceeds from issuance of optionally and compulsorily convertible debentures		-	1,600.00
Principal paid on lease liabilities		(1.68)	-
Interest paid on lease liabilities		(1.18)	-
Proceeds from/(repayment) of short term borrowings (net)		(696.72)	51.13
Interest paid		(472.65)	(523.82)
Net cash flow from financing activities	**C**	**709.89**	**1,263.34**
Net increase in cash and cash equivalents	**A+B+C**	87.93	149.78
Cash and cash equivalents at the beginning of the year		193.93	44.15
Cash and cash equivalents at the end of the year (Refer Note 10(a))		**281.86**	**193.93**

See accompanying notes forming part of the standalone financial statements 1-44

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Notes to Standalone Financial Statements
for the year ended March 31, 2024

1 Corporate information

Azad Engineering Limited (Formerly known as Azad Engineering Private Limited) (the "Company") is one of the only Indian manufacturers of highly engineered, complex, mission and life critical high precision components. Our products include 3D rotating airfoil portions of turbine engines and other key products for combustion, hydraulics, flight-controls, propulsion and actuation which power defence and civil aircrafts, spaceships, defence missiles, nuclear power, hydrogen, gas power, oil and thermal power.

The Company was incorporated in September 1983, under the Companies Act, 1956, and is having its registered office at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055. The Company was converted to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on July 14, 2023 and consequently the name of the Company was changed to "Azad Engineering Limited".

The equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') on December 28, 2023.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the "Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant amendment rules issued thereafter.

The company has prepared the standalone financial statements on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

These standalone financial statements were approved by board of directors and authorised for issue on May 21, 2024

(ii) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees ₹., which is also the Company's functional currency. Standalone Financial Statements presented in Indian rupees have been rounded-off to two decimal places to the nearest Millions except share data or as otherwise stated.

(iii) Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Borrowings : Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability : Present value of defined benefit obligations

(iv) Use of estimates and judgements

The preparation of the Standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Assumptions and estimation uncertainties

The Company uses critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements, for the following areas:

- Determining an asset's expected useful life and the expected residual value at the end of its life.
- Impairment of non financial assets and financial assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(vi) Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as twelve (12) months.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of products:

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with market practice. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

ii) Sale of services:

The Company renders job work services that are provided separately. The Company recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

iii) Export benefits:

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) Interest income:

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Investment in subsidiaries:

The Company's investment in its subsidiaries are carried at cost.

D Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve (12) month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve (12) month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve (12) months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased if the payment is over due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

iv) Derecognition of financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

E Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment ('PPE') are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which it is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Based on the technical assessment of useful life, Plant and machinery is being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Act. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives of the assets adopted by the company based on technical evaluation are given below:

Useful life table

Category of asset	Useful lives estimated by the management (years)	Useful lives as per Schedule II of Companies Act, 2013 (years)
Plant and machinery	15	7.5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss. Useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of PPE under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current Assets".

F **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) **Raw materials:**

Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b) **Finished goods and work in progress (WIP):**

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs.

It is valued at lower of cost and NRV. Cost of finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) **Provision for inventory**

Provision of obsolescence on inventories is considered basis the management's estimate, based on demand and market of the inventories.

d) **Scrap inventory**

Scrap is valued at net realisable value.

e) **Tools**

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

G Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

H Employee benefits

(a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is actuarially valued using the projected unit credit method, at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated Absences:

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

I Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Company has the right to direct the use of the asset.

Company as a Lessee:

The Company recognizes a **right-of-use asset ("ROU")** and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable in other than functional currency which is measured at fair value through profit or loss. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

J Taxation

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on independent tax specialist advice.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

K Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in Standalone Financial Statements since this may result in the recognition of income that may never be realised.

However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

L Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

M Cash flow statement

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

N Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

O Foreign currency transactions and balances

In preparing the Standalone Financial Statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

P Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Q Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3(a) Property, plant and equipment

Particulars	Land	Factory buildings	Plant & machinery	Electrical fittings	Furniture and fixtures	Computer & data processing Units	Servers & networks	Office equipment	Vehicles	Total
Gross carrying amount (deemed cost)										
As at April 01, 2022	**12.88**	**99.93**	**1,299.74**	**39.60**	**18.97**	**22.76**	**22.41**	**21.40**	**58.48**	**1,596.17**
Additions	-	20.57	839.57	10.87	3.16	6.55	8.05	15.38	15.70	919.85
Disposals	-	(2.17)	(28.65)	(0.32)	(0.35)	-	-	-	-	(31.49)
Balance as at March 31, 2023	**12.88**	**118.33**	**2,110.66**	**50.15**	**21.78**	**29.31**	**30.46**	**36.78**	**74.18**	**2,484.53**
Additions	-	21.01	537.63	21.20	7.11	14.37	9.45	12.73	28.77	652.27
Disposals	(0.02)	-	-	-	-	(0.08)	-	-	-	(0.10)
Balance as at March 31, 2024	**12.86**	**139.34**	**2,648.29**	**71.35**	**28.89**	**43.60**	**39.91**	**49.51**	**102.95**	**3,136.70**
Accumulated depreciation										
As at April 01, 2022	**-**	**7.35**	**157.31**	**14.75**	**3.98**	**11.78**	**5.29**	**6.05**	**15.36**	**221.87**
Depreciation	-	3.91	133.97	4.49	2.57	5.00	4.19	5.95	8.11	168.19
Disposals	-	(0.13)	(2.10)	(0.06)	(0.07)	-	-	-	-	(2.36)
Balance as at March 31, 2023	**-**	**11.13**	**289.18**	**19.18**	**6.48**	**16.78**	**9.48**	**12.00**	**23.47**	**387.70**
Depreciation	-	4.23	159.37	6.09	2.89	7.51	5.07	8.15	10.32	203.63
Disposals	-	-	-	-	-	(0.04)	-	-	-	(0.04)
As at March 31, 2024	**-**	**15.36**	**448.55**	**25.27**	**9.37**	**24.25**	**14.55**	**20.15**	**33.79**	**591.29**
Net carrying amount										
As at March 31, 2023	**12.88**	**107.20**	**1,821.48**	**30.97**	**15.30**	**12.53**	**20.98**	**24.78**	**50.71**	**2,096.83**
As at March 31, 2024	**12.86**	**123.98**	**2,199.74**	**46.08**	**19.52**	**19.35**	**25.36**	**29.36**	**69.16**	**2,545.41**

Note: Property, plant and equipment pledged as security

Refer note 14 & 15 for information on property, plant and equipment pledged as security by the Company.

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

3(b) Right- of-use assets (ROU) and lease liabilities

(i) Movement in right- of- use assets and lease liabilities is given below:

a. Right- of-use assets

Particulars	Right of use assets (Land)
Cost	
As at April 01, 2023	**-**
Additions	29.00
Disposals	-
As at March 31, 2024	**29.00**
Accumulated depreciation	
As at April 01, 2023	**-**
Depreciation for the year	1.67
Disposals	-
As at March 31, 2024	**1.67**
Net carrying amount as at March 31, 2024	**27.33**

b. Lease liabilities

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

Particulars	Amount
As at April 01, 2023	**-**
Additions during the year	23.26
Finance cost	1.18
Payments	(1.68)
As at March 31, 2024	**22.76**
Break up of the closing lease liabilities	
Current	2.71
Non-current	20.05

(ii) Payments recognised as expenses during the year

Particulars	Amount
Short term leases for the year ended March 31, 2024 (refer note 28)	11.12
Short term leases for the year ended March 31, 2023 (refer note 28)	8.26

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

Particulars	Amount
Less than one year	2.96
One to five years	13.41
More than five years	18.17

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

4 Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Capital works in progress	454.34	379.86

Ageing of Capital work in progress

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024	74.48	143.30	236.56	-	454.34
As at March 31, 2023	143.30	236.56	-	-	379.86

There are no projects as capital work in Progress as at March 31, 2024 and March 31, 2023 whose completion is overdue or cost of which exceeds in comparison to its original plan.

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2024: ₹ 35.41 (March 31, 2023 : ₹ 61.48).

5 Investments (Measured at cost)

	As at March 31, 2024	As at March 31, 2023
Non-current investments		
Investment in subsidiaries, unquoted		
Nil (March 31, 2023: 50,350) equity shares of ₹ 10 each fully paid-up in Rouland Chemicals Pvt Ltd	-	17.62
Nil (March 31, 2023: 13,150) equity shares of ₹ 100 each fully paid-up in Swastik Coaters Pvt Ltd	-	45.20
	-	**62.82**

Note: During the year, the Company sold its investment in subsidiaries (Rouland Chemicals Pvt Ltd and Swastik Coaters Pvt Ltd) to Mr.Rakesh Chopdar (Chairman & CEO) for ₹ 58 and ₹ 60.86 respectively. Accordingly, the Company has recognised profit on sale of investments amounting to ₹ 56.03 as other income.

6 Other financial assets

	As at March 31, 2024	As at March 31, 2023
Non-current (at amortised cost)		
(Unsecured considered good)		
Deposits		
Security deposits	47.41	17.38
Deposit accounts with maturity for more than 12 months (refer note below)	199.51	21.30
	246.92	**38.68**

Note: Out of the deposits, amount of ₹ 183.50 as at March 31, 2024 (March 31, 2023: ₹ 20.17) held as lien by banks towards the various fund facilities sanctioned.

Current		
Interest accrued on fixed deposits	-	0.91
	-	**0.91**

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

7 Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
(Unsecured, Considered good)		
Capital advances	384.26	379.90
Prepaid expenses	62.11	65.48
Balance with statutory authorities - deposits	33.34	30.29
	479.71	**475.67**

8 Inventories*

	As at March 31, 2024	As at March 31, 2023
Raw material	529.24	252.33
Work in progress	600.70	399.93
Finished goods	19.83	65.03
Scrap inventory	80.99	31.83
Consumable stores, spares & fixtures	98.87	111.51
	1,329.63	**860.63**

* Valued at lower of cost and net realisable value

9 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Unsecured,		
- Considered good (refer note below)	1,699.53	1,186.63
- Credit impaired	36.39	15.00
	1,735.92	**1,201.63**
Allowance for bad and doubtful debts		
Less: Allowance for credit impaired	(36.39)	(15.00)
	1,699.53	**1,186.63**

Notes:

i No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

ii Trade receivables are non-interest bearing and generally on terms of 120 to 180 days

iii Trade receivables include debts from related parties (refer note 30)

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 35

Movement in the allowance for bad and doubtful debts is as follows:

	As at March 31, 2024	As at March 31, 2023
Opening balance	15.00	10.25
Credit loss added	21.39	4.75
Closing balance	36.39	15.00

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

Ageing schedule of Trade receivables outstanding As at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following period from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered good	1,009.67	460.99	98.07	129.15	18.32	19.72	1,735.92
Undisputed Trade receivables credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,735.92**
Less: Impairment loss on credit impaired Trade receivables							36.39
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,699.53**

Ageing schedule of Trade receivables outstanding As at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following period from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered good	826.81	245.80	78.93	35.04	3.34	11.71	1,201.63
Undisputed Trade receivables credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
Total	**826.81**	**245.80**	**78.93**	**35.04**	**3.34**	**11.71**	**1,201.63**
Less: Impairment loss on credit impaired Trade receivables							15.00
Total	**826.81**	**245.80**	**78.93**	**35.04**	**3.34**	**11.71**	**1,186.63**

10 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	268.05	106.32
In EEFC Accounts	-	0.01
Deposits with maturity of less than 3 months [refer note below]	-	72.26
Cash on hand	13.81	15.34
	281.86	**193.93**
(b) Bank balances other than Cash and cash equivalents:		
- Deposit with maturity for more than 3 months but less than 12 months [refer note below]	307.32	333.27
	307.32	**333.27**
	589.18	**527.20**

Note: Out of the deposits, amount of ₹ 1.56 as at March 31, 2024 (March 31, 2023: ₹ 127.27) held as lien by banks towards the various fund facilities sanctioned.

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

11 Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	137.13	111.36
Advances to employees	8.95	17.35
Balance with government authorities	262.54	104.02
Other deposits and advances*	13.66	10.62
Prepaid expenses	18.36	17.43
IPO Receivables	158.10	-
	598.74	**260.78**

*Other deposits and advances include advances to related parties (refer note 30)

12 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorized share capital		
75,000,000 equity shares of ₹ 2 each as at 31 March 2024 [15,00,0000 equity shares of ₹ 10 each as at March 31, 2023]	150.00	150.00
Issued, subscribed and paid up		
5,91,12,993 equity shares of ₹ 2 each at March 31, 2024 [1,651,826 equity shares of ₹ 10 each at March 31, 2023]	118.23	16.52
	118.23	**16.52**

Notes:

i) Reconciliation of authorised share capital

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	1,50,00,000	150.00	1,00,00,000	100.00
Changes during the year (refer note (i) & (ii) below)	6,00,00,000	-	50,00,000	50.00
Outstanding at the end of the year	7,50,00,000	150.00	1,50,00,000	150.00

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

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	16,51,826	16.52	15,13,200	15.13
Add:				
Impact of shares split (refer note (iii) below)	66,07,304	-	-	-
Allotment of Equity shares pursuant to conversion of CCD's into Equity (Refer note 14(vi))	49,78,062	9.96	43,488	0.44
Issue of bonus shares (refer note (iv) below)	4,12,95,650	82.59	-	-
Shares issued during the year (refer note * below)	45,80,151	9.16	95,138	0.95
Outstanding at the end of the year	5,91,12,993	118.23	16,51,826	16.52

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

Shareholders vide the Extra-ordinary general meeting dated have approved the following :

During previous year

i) Authorized Share Capital of the Company increased from ₹ 100.00 divided into 50,00,000 Equity Shares of ₹10/- each to ₹150.00 Mn divided into 1,50,00,000

During Current year

ii) Sub-division of the Authorised Share Capital consisting of 1,50,00,000 equity shares of the Company having face value of ₹ 10 each into 7,50,00,000 equity shares of face value of ₹ 2 each w.e.f., September 12, 2023, without altering the aggregate amount of the same.

iii) Further, the issued, subscribed and paid-up share capital consisting of 16,51,826 equity shares of the Company having face value of ₹ 10 each shall stand sub-divided into 82,59,130 equity shares having face value of ₹ 2 each w.e.f., September 12, 2023 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

iv) Issue of fully paid bonus shares of ₹ 2 each in proportion of 5 equity shares for every 1 existing equity share by capitalizing a sum of ₹ 82.59 from the retained earnings available with the Company.

* the Company completed an Initial Public Offer ("IPO") of 14,122,108 equity shares at the face value of ₹ 2 each at an issue price of ₹ 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 ₹ 7,399.98. 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.

iii) Rights, preferences and restrictions attached to equity shares of ₹ 2 each, fully paid up:

The Company had only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435	88.66%

v) Shareholding of promoters

Name of promoter	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435	0.89
Jyoti Chopdar	-	-	4,800	0.00
Shakuntala Chopdar	-	-	1,600	0.00

vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

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

13 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium (refer note (i))	4,562.97	754.60
Retained earnings (refer note (ii))	1,735.16	1,231.95
Capital redemption reserve (refer note (iii))	39.00	39.00
Other comprehensive income (refer note (iv))	(4.30)	(1.76)
Total other equity	**6,332.83**	**2,023.79**

Notes:

(i) Securities premium

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	754.60	2.97
Add: Allotment of equity shares on conversion of CCD's	1,590.04	180.00
Add: Issue of shares on private placement	-	571.63
Add: Issue of equity shares during the year	2,390.84	-
Less: Share issue expenses	(172.51)	-
Closing balance	**4,562.97**	**754.60**

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

(ii) Retained earnings

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,231.95	1,146.87
Add: Profit for the year	585.80	85.08
Less: Amount utilised for bonus issue	(82.59)	
Closing balance	**1,735.16**	**1,231.95**

Retained earnings represents the Company's undistributed earning after tax

(iii) Capital redemption reserve

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	39.00	39.00
Add: Transfer from retained earnings	-	-
Balance at the end of the year	39.00	**39.00**

Capital redemption reserve represents an amount equal to the nominal value of the preference shares redeemed transferred from retained earnings at the time of redemption of preference shares to the capital redemption reserve. The reserve will be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

iv) Other comprehensive income (OCI)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Remeasurement of defined benefit obligations (liability net of tax)		
Opening balance	(1.76)	(3.82)
Add: Actuarial gains/(loss) recognised during the year	(3.58)	2.90
Income-tax thereon	1.04	(0.84)
Closing balance	(4.30)	(1.76)

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

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

14 Long term borrowings (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Secured		
Compulsorily convertible debentures (refer note (vi))	-	1,648.07
Term loans		
- from bank (refer note (i), (ii) & (iii))	117.75	661.37
- from others (refer note (iv))	213.24	114.32
Vehicle loans (refer note (v))	36.58	23.25
Unsecured		
Loan from related parties (refer note (vii))	-	3.75
Less : Current maturities of long term borrowings	(96.44)	(244.22)
Total	**271.13**	**2,206.54**

Notes:

(i) Terms of long term loan from ICICI Bank

The outstanding term loan carries a rate of interest ranging from 9.85% to 10.85% to p.a with repayments to be made in 66 monthly equal instalments starting from september, 2025.

The primary security for the loan was secured by way of:

(a) First charge by way of hypothecation on entire Property, plant and equipment of the Company

(b) Second charge by way of hypothecation on entire current assets of the Company

The loan was also secured by collateral security of first charge on the, Industrial land admeasuring 8831 Sq. yards along with building, located at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana in the name of Azad Engineering Limited.

(ii) Loan from Yes Bank

The outstanding term loan carries a rate of interest 10.50% p.a with repayments to be made in 24 monthly unequal instalments.

The Company has taken the Equipment Finance Loan arrangement flor buying of specific Plant & Machinery. This loan is secured by exclusive charge by way of hypothecation of machinery purchased.

(iii) Terms of Long Term Loan from Consortium Banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

The outstanding term loan carries a rate of interest ranging from 7.5 % to 8.5% p.a with repayments to be made in 6-20 quartly equal instalments.

The primary security for the loans consists of:

1. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).
2. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

The collateral security for the loan includes:

1. First pari-passu charge on industrial land (5178.80 sq. yards) and building at plot no. 90/C, Phase 1, IDA Jeedimetla, Hyderabad, Telangana, in the name of Swastik Coaters Pvt Ltd.
2. First pari-passu charge on industrial land (5392 sq. yards) and building at plot no. 90/D, Phase 1, IDA Jeedimetla, Hyderabad, Telangana, in the name of M/s Rouland Chemicals Pvt Ltd.
3. First pari-passu charge on industrial land (8831 sq. yards) and building at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana, in the name of Azad Engineering Private Limited.

The loan is also secured by the personal guarantees of Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar, and the corporate guarantees of Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd.

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

(iv) Loan from TATA Capital

The outstanding term loan carries a rate of interest ranging from 9.63 % to 14.29 % p.a with repayments to be made in 24-60 monthly equal instalments.

The company has taken the Equipment Finance Loan arrangement and the same is used for buying of specific Plant & Machinery and these are secured by exclusive charge by way of Hypothecation of machinery purchased to be purchased out of fund.

(v) Vehicle loans

Vehicle loans from bank amounting to ₹ 36.58 (March 31, 2023: ₹ 23.25) carry interest rate of 7.25% to 11.04% p.a and are repayable in 37- 39 equated monthly instalments. The said loans are secured by way of hypothecation of vehicles purchased.

(vi) Terms of Compulsorily convertible debentures -Piramal Trusteeship Private Limited

The company has raised the CCD (Compulsory Convertible Debenture) from Piramal Structured Credit Opportunities Fund. The investment amount is ₹ 1,600 and company has issued 1,600 fully paid –up Compulsorily Convertible Debenture.

The CCD's are secured by

1) 51% share pledge of all the present and future shares outstanding of the Issuer, (on a fully diluted basis, present and future and in dematerialised form) shall be required.
2) Non-Disposable Undertaking ("NDU") and Non-encumbrance over the balance shares present and future on a fully diluted basis and POA
3) First charge on all machinery purchased from the proceeds of the Instrument (to the tune of ₹ 400.00) and
4) Second Charge on security given to Consortium Bank.

The CCD carries the coupon of 10% per annum payable monthly, which shall increase to 14% post expiry of 36 months, and then increase by 2% at the beginning of each calendar quarter up to 20% till conversion of the CCDs.

The instrument has life of 7 years with Put & Call option and minimum assured IRR is 18% or MOIC of 1.35x. There is upside sharing with the company if Piramal make IRR greater than 22%. The CCD will be converted into equity base on pre agreed EV/EBITDA of 18 times of FY 2022-23 net of debt.

On December 11, 2023, Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, were converted into 4,978,062 Equity Shares.

(vii) The Company has repaid all loans from related parties during the year.

15 Short-term borrowings

	As at March 31, 2024	As at March 31, 2023
Secured		
Working capital loans (refer below note)	4.00	553.18
Current maturities of long term borrowings (refer note 14)	96.44	244.22
	100.44	**797.40**

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

The short-term borrowings are repayable on demand, renewable on an yearly basis and carries a rate of interest range from 7.5% to 8% p.a

'The company has taken the Working Capital Loan under consortium arrangement which is lead by UBI and has IndusInd and ICICI Bank as other members. The company has taken PCFC (Packing Credit Foreign Currency) for funding of working capital requirement

The Primary Security for the loans are;

1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and
2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future).

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

16 Trade payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 33)	208.62	191.78
- Total outstanding dues of creditors other than micro enterprises and small enterprises	290.49	303.00
	499.11	**494.78**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days term.

(ii) Refer note 35 for the Company's liquidity and currency risk management process

(iii) Refer note 30 for trade payables to related parties

Trade payables ageing schedule as at March 31, 2024

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	104.15	104.47	-	-	-	208.62
(ii) Others	175.96	113.58	0.86	0.09	-	290.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	280.11	**218.05**	**0.86**	**0.09**	**-**	**499.11**

Trade payables ageing schedule as at March 31, 2023

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	103.94	85.50	2.34	-	-	191.78
(ii) Others	209.25	86.38	7.32	0.05	-	303.00
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	313.19	**171.88**	**9.66**	**0.05**	**-**	**494.78**

17 Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
i. Provision for gratuity (refer note 34)		
Non-current	36.08	25.64
Current	3.38	2.46
ii. Provision for compensated absences		
Current	0.88	0.28
	40.34	**28.38**
Non-current	36.08	25.64
Current	4.26	2.74

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

18 Deferred tax liabilities (net)*

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	247.56	203.25
Provision for employee benefits	(11.57)	(9.00)
Borrowings	0.52	(11.22)
MAT credit entitlement	(16.58)	(25.74)
Receivables credit impaired	(10.58)	(4.37)
Provision for others	-	(0.34)
Right-of-use assets (net of lease liability)	1.33	-
On unabsorbed depreciation and business losses	-	(16.71)
	210.68	**135.87**

*refer note 37

19 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	54.69	56.29
Interest accrued but not due on borrowings	1.80	0.71
Capital creditors	18.94	24.32
Other payables*	43.20	42.04
	118.63	**123.36**

*Includes payable amounting to ₹ 39.00 to preference shareholders

20 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory due payable	12.95	15.02
Advance from customers	31.38	16.51
IPO expense payable	137.69	-
Others payables	46.70	6.91
	228.72	**38.44**

21 Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Current tax payable	174.16	151.48
Current tax assets		
Advance tax including self assessment tax	(146.00)	(123.15)
TDS and TCS receivable	(0.24)	(3.40)
	27.92	**24.93**

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

22 Revenue from operations

	For the year ended March 31,2024	For the year ended March 31,2023
Revenue from contracts with customers (refer note 38)		
Sale of products	2,686.82	1,478.89
Sale of services	594.40	937.26
Other operating revenue		
- Scrap sales	105.89	96.90
- Export incentives	20.60	3.70
	3,407.71	**2,516.75**

23 Other income

	For the year ended March 31,2024	For the year ended March 31,2023
Net gain on foreign currency transactions and translations	24.27	60.11
Interest income		
- on fixed deposits	14.02	26.73
- Financial assets at amortised cost	0.58	0.37
Gain on derecognition of financial liabilities*	175.62	9.58
Profit on sale of Property Plant and Equipment	42.00	-
Gain on sale of investment in subsidiary (refer note 5)	56.03	-
Miscellaneous income	7.41	1.67
	319.93	**98.46**

*Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund were converted into equity on December 11, 2023. As per the contractual terms interest provided for in excess of the coupon rate amounting to ₹ 175.62 was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.

24(a) Cost of materials Consumed

	For the year ended March 31,2024	For the year ended March 31,2023
(a) Opening stock of raw material	252.33	204.09
Add: Purchases	944.54	543.46
Less: Closing stock of raw material	(529.24)	(252.33)
	667.63	**495.22**

(b) Changes in inventories of finished goods and work-in-progress

	For the year ended March 31,2024	For the year ended March 31,2023
Inventory at the beginning of the year		
Work in progress	399.93	280.10
Finished goods	65.03	20.30
Scrap inventory	29.15	-
	494.11	**300.40**
Inventory at the end of the year		
Work in progress	(600.70)	(399.93)
Finished goods	(19.83)	(65.03)
Scrap inventory	(80.99)	(29.15)
	(701.52)	**(494.11)**
	(207.41)	**(193.71)**
Total material consumed	**460.22**	**301.51**

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

25 Employee benefits expense

	For the year ended March 31,2024	For the year ended March 31,2023
Salaries, wages and bonus	676.37	550.50
Contribution to provident and other funds	22.01	18.83
Gratuity expenses (refer note 34)	9.29	8.52
Staff welfare expenses	34.98	14.84
	742.65	**592.69**

26 Finance costs

	For the year ended March 31,2024	For the year ended March 31,2023
Interest on		
- Term loans	51.26	72.25
- Working capital loans	57.41	30.22
- Compulsorily Convertible Debentures	207.55	148.64
- Lease liabilities	1.18	-
- Others	10.01	15.58
Premium on redemption of debentures	-	146.50
Exchange differences adjusted to borrowing costs	14.27	66.10
Bank charges	4.24	3.09
Other borrowing costs	126.73	41.44
	472.65	**523.82**

27 Depreciation expenses

	For the year ended March 31,2024	For the year ended March 31,2023
Depreciation of property, plant and equipment (refer note 3(a))	203.63	165.83
Amortization of right-to-use assets (refer note 3(b))	1.67	-
	205.30	**165.83**

28 Other expenses

	For the year ended March 31,2024	For the year ended March 31,2023
Stores and spares consumed	142.56	99.90
Job work charges	193.66	175.65
Tools	218.88	179.52
Repairs and maintenance :		
- Machinery	19.48	18.11
- Others	6.96	3.78
Transportation charges	60.22	65.37
Power and fuel	135.60	116.21
Inspection and testing	15.41	5.27
Sales commission	9.05	12.21
Business promotion	5.16	6.34
Communication, broadband and internet expenses	3.08	0.55
Insurance	17.93	20.20
Travelling and conveyance expenses	22.64	9.70
Rent (refer note 3(b))	11.12	8.26
Rates and taxes	37.82	25.62

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

	For the year ended March 31,2024	For the year ended March 31,2023
Professional & consultancy fees	14.50	21.96
Printing , stationary, postage and courier	6.90	9.99
Auditors remuneration (refer note (i) below)	3.90	5.20
Corporate social responsibility (CSR) expenses (refer note (ii) below)	4.72	6.02
Loss due to fire	-	31.79
Security charges	14.70	14.00
Outsourced manpower cost	57.21	44.16
Provision for credit impaired trade receivable (refer note 9)	21.39	4.75
Miscellaneous expenses	16.07	14.86
	1,038.96	**899.42**

Note (i) Payments to auditors*

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

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
As auditor		
- Statutory audit	3.50	5.20
- Limited review	0.30	-
In other capacity		
- Out of pocket expenses	0.10	-
	3.90	**5.20**

*Excluding IPO related expenses debited to share issue expenses amounting to ₹ 12.50.

Note (ii) Details of Corporate social responsibility (CSR) expenditure:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Education, Health & Wellness. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
(1) Gross amount required to be spent by the Company during the year	4.72	6.02
(2) Amount spent during the year on		
- construction/acquisition of any asset	-	-
- on purpose other than above	-	0.21
(3) Shortfall at the end of the year	4.72	5.81
(4) Total of previous years shortfall	0.81	-
(5) Reason for shortfal	Pertains to ongoing project	Pertains to ongoing project
(6) Nature of CSR activities	Education, Health & Wellness	
(7) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(8) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

Notes:

#The Company has transferred the unspent amount to a separate bank account on March 27, 2024 & March 28, 2024 for the year ended March 31, 2024. For the year ended March 31, 2023, the unspent amount was transferred to a separate bank account on March 31, 2023 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

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

29 Contingent liabilities and commitments

(a) Contingent liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Direct tax	27.23	6.82
Goods and service tax	9.51	-
Customs duty	75.11	86.24
Bank guarantees	-	0.50

Direct tax:

For AY 2022-23, a demand of ₹ 15.71 arose out of an intimation order dated July 26, 2023 passed u/s 143(1) on processing of return of income. The demand was due to credit not allowed in respect of a challan of ₹ 2.00 due to mismatch and denial of deduction claimed u/s 80JJAA amounting to ₹ 33.76. The Company has submitted a request for allowing the credit and submitted necessary application to the authority seeking relief in this matter. Based on the facts and circumstances of the case, management is of the view that application would be considered favourably by the respective authority and necessary relief would be granted.

For AY 2021-22 a demand of ₹ 3.96 was received vide an intimation order dated March 7, 2023 passed u/s 143(1) while processing the of return of income. The demand arose due to denial of deduction claimed u/s 80JJAA amounting to ₹ 7.72. However, the management has submitted necessary application to the authority seeking relief in this matter, based on the facts and circumstances of the case, necessary relief would be granted.

For AY 2020-21, a demand of ₹ 6.82 arose due to disallowance made by assessing officer while passing the assessment vide order dated September 24, 2022 . The Company has preferred an appeal against the said assessment order before the Commissioner of Income Tax (Appeals) and the same is pending. The case is yet to be taken up for hearing and necessary action will be taken as soon as the case is taken up for hearing.

For AY 2015-16 there is a demand of ₹ 0.74. Originally a demand had arisen in pursuance of assessment. The company had gone for appeal against assessment order . The company has paid the taxes of ₹ 0.38 based on computation. An order giving effect to the settlement of dispute under Vivad Se Vishwas and taxes paid is to be passed by the officer.

Goods and services tax :

The Company has received an order from the Office of Commissioner Appeals, GST and Central Tax, demanding a payment of ₹ 4.22 for the period January 2022 to March 2022 vide Appeal No. 01/2023 (MD) DGST/1455 and ₹ 5.29 for the period April 2022 to July 2022 vide Appeal No. 01/2023 (MD) DGST/1455 due to an excess refund claimed. This demand is based on findings related to the improper calculation of the turnover of zero-rated supplies, irregular availment of Input Tax Credit (ITC) on capital goods, and the inclusion of ineligible credit in the Net ITC used to determine the eligible refund amount. The management believes there are valid grounds to contest this order and intends to file an appeal with the GST Tribunal. However, the tribunal has not yet been constituted by the department.

Customs duty:

All of the customs duty notices relate to Advance authorization/ EPCG Authorization licenses granted to the company. These licenses will enable the company to import the goods by claiming upfront exemption from payment of customs duty for Raw materials and Capital equipment's respectively. However, the grant of these licenses stipulate for fulfillment of specified export obligation. While the company has largely met the stipulated export obligation, it is yet to obtain and submit export obligation discharge certificate to the customs authorities. The reason for non submission of this document is attributable to delay in fixation of norms by norms committee. The Company has received intimation from Customs towards payment of duty amounting to ₹ 75.11 (March 31, 2023 : ₹ 86.24). Thus, as soon as the input output norms are finalized the company will furnish the requisite documents to customs authorities asking for the closure of the issue.

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) Capital commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Unexecuted capital orders to the extent not provided for	1,897.71	498.26

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

30 Related party disclosures

(a) Names of related parties and related party relationship

Name of the related party	Nature of relationship
Subsidiary companies	Swastik Coaters Pvt Ltd (upto September 15, 2023)
	Rouland Chemicals Pvt Ltd (upto September 15, 2023)
	Agen Metcast Pvt Ltd (Ceased to be a subsidiary with effect from June 18, 2021)
	Azad Engineering Pte Ltd
Key managerial persons:	Chairman and Chief Executing Officer– Rakesh Chopdar
	Whole Time Director – Jyoti Chopdar
	Whole Time Director - Vishnu Pramodkumar Malpani (w.e.f September 13, 2023)
	Madhusree Vemuru-Non executive & independent director (w.e.f September 12, 2023)
	Michael Joseph Booth-Non executive & independent director (w.e.f September 12, 2023)
	Subba Rao Ambati-Non executive & independent director (w.e.f September 24, 2023)
	Chief Financial Officer - Ronak Jajoo (w.e.f September 14, 2023)
	Company Secretary- Ful Kumar Gautam
Relatives of KMPs	Relatives of KMPs - Kartik Chopdar
	Relatives of KMPs - Satwik Chopdar
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Agen Metcast Private Limited (w.e.f June 18, 2021 till January 06, 2023)
	Swastik Coaters Pvt Ltd (w.e.f September 16, 2023)
	Rouland Chemicals Pvt Ltd (w.e.f September 16, 2023)

(b) Transactions with subsidiaries

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental expense:		
Swastik Coaters Pvt Ltd	0.06	0.13
Rouland Chemicals Pvt Ltd	0.06	0.13

(c) Balances with subsidiaries

Particulars	As at March 31, 2024	As at March 31, 2024
Other non-current financial assets		
Rouland Chemicals Pvt Ltd	-	4.89
Trade payables		
Swastik Coaters Pvt Ltd	-	0.25
Rouland Chemicals Pvt Ltd	-	0.18

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

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
KMPs Remuneration:		
Rakesh Chopdar	43.49	45.90
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	7.20	4.22
Ful Kumar Gautam	1.92	2.22
Ronak Jajoo	5.29	2.15
KMPs Relatives Remuneration:		
Kartik Chopdar	3.90	3.85
Satwik Chopdar	0.52	0.36
Loan taken/(repaid) from/to related parties (Included in long term borrowings)		
Jyoti Chopdar	(3.75)	(2.91)

(e) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2024	As at March 31, 2024
Loan from related parties (included in long term borrowings)		
Jyoti Chopdar	-	3.75
Other current financial liabilities (salaries payable)		
Jyoti Chopdar	-	3.53
Kartik Chopdar	0.22	0.22
Satwik Chopdar	-	0.04
Ful Kumar Gautham	0.01	-
Ronak Jajoo	0.36	
Vishnu Pramodkumar Malpani	0.47	-
Satwik Chopdar	0.10	-
Advances to employees (Included in other current assets)		
Kartik Chopdar	0.15	0.15
Satwik Chopdar	0.10	-
Ful Kumar Gautham	-	1.00
Vishnu Pramodkumar Malpani	-	1.00
Ronak Jajoo	-	1.00

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental Income (Included in other income)		
Atlas Fasteners	-	0.08
Sale of goods or services		
Atlas Fasteners	0.91	0.23
Rental expense:		
Swastik Coaters Pvt Ltd	0.84	-
Rouland Chemicals Pvt Ltd	0.84	-
Financial assets at amortised cost(Included in other income)		
Agen Metcast Private Limited	1.19	-
Purchase of goods or services		
Atlas Fasteners	17.60	8.22
Security deposits (included in non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	-
Jobwork expense		
Atlas Fasteners*	2.27	-

* Including goods and service tax

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

(g) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at March 31, 2024	As at March 31, 2023
Other non current financial assets		
Forgen Power Parts Private Limited (Security deposits)	2.00	2.00
Other deposits & Advances (Included in other current assets)		
Agen Metcast Private Limited	10.49	9.30
Trade receivables		
Atlas fasteners	1.42	1.42
Advance to suppliers (Included in other current assets)		
Atlas fasteners	9.38	7.86
Security deposits (included in other non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	-
Rouland Chemicals Pvt Ltd	4.96	4.96
Trade payables		
Swastik Coaters Pvt Ltd	3.85	0.12
Rouland Chemicals Pvt Ltd	0.52	0.12

31 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings		
Profit after tax for the year attributable to equity shareholders	585.80	85.08
Add: Fair value adjustments towards compulsorily convertible debentures*	-	110.55
Profit for the year considered for calculation of diluted earnings per share	585.80	195.63
Shares		
Original number of equity ehares (post share split) #	82,59,130	82,59,130
Add : Impact of bonus issue #	4,12,95,650	4,12,95,650
Add : Equity shares issued during the year	45,80,151	-
Add : Allotment of Equity shares pursuant to conversion of CCD's into Equity	49,78,062	-
No of shares at the end of the year	**5,91,12,993**	**4,95,54,780**
Weighted average number of equity shares		
For calculating Basic EPS	5,22,99,486	4,73,01,690
Effect of dilution:		
- On account of Compulsory Convertible Debentures	-	41,16,449
Weighted average number of equity shares for Diluted EPS	5,22,99,486	5,14,18,139
Earnings Per Share		
Face Value ₹ 2 per share		
Basic (₹)	11.20	1.80
Diluted* (₹)	11.20	1.80

Shareholders have approved the below at Extra-ordinary general meeting held on 12 September 2023:

* Compulsorily convertible debentures are considered to be potential equity shares. They have not been included in the determination of diluted earnings per share during financial year ended March 31, 2023 as this was anti dilutive.

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

a. Share split of one equity share having face value of ₹ 10 each into 5 shares of ₹ 2 each and

b. Issue of fully paid bonus shares of ₹ 2 each in proportion of five equity shares for every one existing equity share.

Accordingly, as an adjusting event, the earnings per share has been adjusted for subdivision of shares and bonus shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

32 Segment reporting

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and OEM components, have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the standalone financial statements. The information relating to revenue from external customers and location of segment assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and segment assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

a. Geographical segment information:

Revenue from customers	For the year ended March 31, 2024	For the year ended March 31, 2023
With in India	425.89	493.67
Outside India	2,981.82	2023.08
Total	**3,407.71**	**2,516.75**

b. The company has total segment assets within India. Hence, separate figures have not been furnished

c. Revenue from major customers ((from external customer)

During the year the Company has derived revenue from 3 customers (March 31, 2023: 3) totalling to ₹ 1,410.73 (March 31, 2023: ₹ 384.93) which amounts to 10% or more of its total revenue.

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The amounts remaining unpaid to micro and small supplies as at end of the year		
i) Principal amount remaining unpaid to supplier at the end of the year	208.62	191.78
ii) Interest due thereon remaining unpaid to supplier at the end of the year	4.21	3.04
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	4.21	3.04

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

34 Employee benefits

a) Defined contribution plan

Provident Fund: Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined benefit plan

Gratuity: The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

c) Amounts recognised as expense:

i) Defined contribution plan

Provident fund

Contribution towards employee provident fund, which is a defined contribution plan for the year March 31, 2024 aggregated to ₹ 16.87 (March 31, 2023 : ₹ 14.01).

Employees' State Insurance & Labour welfare fund

Contribution towards Employees' State Insurance & Labour welfare fund, which is a defined contribution plan for the year March 31, 2024 aggregated to ₹ 5.14 (March 31, 2023 : ₹ 4.82).

ii) Defined benefit plan

Contribution towards Gratuity for the year March 31, 2024 aggregated to ₹ 9.29 (March 31, 2023: ₹ 8.52)

d) Amounts recognised in the standalone financial statements as at year end for Gratuity are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
i) Change in present value of obligation		
Present value of the obligation at the beginning of the year	28.10	24.54
Current service cost	7.35	6.80
Interest cost	1.93	1.72
Actuarial (gain)/loss on obligation- due to change in financial assumptions	0.81	(3.93)
Actuarial (gain)/loss on obligation- due to experience ddjustments	2.78	1.03
Benefits paid	(1.51)	(2.06)
Present value of the obligation at the end of the year	**39.46**	**28.10**
ii) **Bifurcation of present value of benefit obligation**		
Current- Amount due within one year	3.38	2.46
Non-current- Amount due after one year	36.08	25.64
Total	**39.46**	**28.10**
iii) Expected benefit payments in future years		
Year 1	3.38	2.46
Year 2	2.82	1.85
Year 3	3.20	2.16
Year 4	2.77	2.45
Year 5	3.30	2.07
Year 6 to Year 10	15.88	11.77

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

Particulars	As at March 31, 2024	As at March 31, 2023
iv) Sensitivity analysis		
Discount rate - 1 % increase	36.12	25.70
- 1 % decrease	43.36	30.90
Salary escalation rate - 1 % increase	43.23	30.88
- 1 % decrease	36.19	25.69
v) Amounts Recognised in the Statement of Profit and Loss:		
Current service cost	7.35	6.80
Net interest on net defined liability / (asset)	1.94	1.72
Expenses recognised in Statement of Profit and Loss	**9.29**	**8.52**
vii) Recognised in other comprehensive income for the year		
Actuarial Gains / (Losses) on Liability	(3.58)	2.90
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above	-	-
Recognised in other comprehensive income	**(3.58)**	**2.90**
viii) Actuarial assumptions		
i) Discount rate	7.00%	7.20%
ii) Salary escalation rate	3.50%	3.50%
iii) Retirement age	58 years	58 years
iv) Attrition rate	5.00%	5.00%
v) Expected average remaining service	13.27	13.74
vi) Weighted average duration of defined benefit plan	10.77	11.03
v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.

35 Financial instruments

A. Financial instruments by category	Method of valuation	Note	Fair value level	As at March 31, 2024	As at March 31, 2023
Financial assets					
Non current					
(i) Investments	At cost	5	Level 2	-	62.82
(ii) Other financial assets	Amortized Cost	6	Level 2	246.92	38.68
Current					
(i) Trade receivables	Amortized Cost	9	Level 2	1,699.53	1,186.63
(ii) Cash and cash equivalents	Amortized Cost	10(a)	Level 2	281.86	193.93
(iii) Bank balances other than (ii) above	Amortized Cost	10(b)	Level 2	307.32	333.27
(iv) Other financial assets	Amortized Cost	6	Level 2	-	0.91
Total financial assets				**2,535.63**	**1,816.24**
Financial liabilities					
Non current					
(i) Borrowings	Amortised cost	14	Level 2	271.13	2,206.54
(ia) Lease liabilities	Amortised cost	3(b)	Level 2	20.05	-
Current					
(i) Borrowings	Amortised cost	15	Level 2	100.44	797.40
(ia) Lease liabilities	Amortised cost	3(b)	Level 2	2.71	-
(ii) Trade payables	Amortised cost	16	Level 2	499.11	494.78
(iii) Other financial liabilities	Amortised cost	19	Level 2	118.63	123.36
Total financial liabilities				**1,012.07**	**3,622.08**

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

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

The Company risk management is carried out by the senior management under policies approved by the board of directors. The board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

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

ii. Trade receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from top customer	554.38	829.56
Revenue from top 5 customers (other than above customer)	1,536.28	758.65

One customer accounted for more than 16.35% of the revenue for the year ended March 31, 2024. One customer accounted for more than 33.01 % of the revenue for the year March 31, 2023.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for group of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Movement in the allowance for bad and doubtful debts is as follows:	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	15.00	10.25
Credit loss added	21.39	4.75
Closing balance	36.39	15.00

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

B. Liquidity risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at March 31, 2024

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	271.13	-	271.13	-	271.13
Lease liabilities	22.76	2.96	13.41	18.17	34.54
Short-term borrowings	100.44	100.44	-	-	100.44
Trade payables	499.11	499.11	-	-	499.11
Other financial liabilities	118.63	118.63	-	-	118.63
Total	**1,012.07**	**721.14**	**284.54**	**18.17**	**1,023.85**

As at March 31, 2023

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	2,206.54	-	606.54	1,600.00	2,206.54
Short-term borrowings	797.40	797.40	-	-	797.40
Trade payables	494.78	494.78	-	-	494.78
Other financial liabilities	123.36	123.36	-	-	123.36
Total	**3,622.08**	**1,415.54**	**606.54**	**1,600.00**	**3,622.08**

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

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

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	307.33	1,328.87
Fixed rate borrowings	64.24	1,671.32

Interest rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2023	As at March 31, 2023
Sensitivity		
1% increase in variable rate	(3.07)	(13.29)
1% decrease in variable rate	3.07	13.29

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Amount in USD	Equivalent amount in INR for USD	Amount in EURO	Equivalent amount in INR for EURO	Amount in Others	Equivalent amount in INR for JPY
March 31, 2024						
Trade receivable	3.72	323.47	12.64	1,051.79	-	-
Trade payable	0.34	28.22	0.10	8.75	0.01	1.12
Advance from customers	0.66	54.74	0.09	8.51		
March 31, 2023						
Trade receivable	9.26	760.32	1.70	151.99	-	-
Trade payable	0.15	12.59	-	-	-	0.02
Borrowings	11.73	963.19	-	-	-	-

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

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material. The effect of a 5% strengthening or weakening of the respective currencies on the profit and loss account is demonstrated in the following table.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2024					
	USD	17.50	(17.50)	13.10	(13.10)
	EURO	52.58	(52.58)	39.34	(39.34)
	JPY	(0.06)	0.06	(0.04)	0.04
March 31, 2023					
	USD	(10.77)	10.77	(7.64)	7.64
	EURO	7.60	(7.60)	5.39	(5.39)
	JPY	(0.00)	0.00	(0.00)	0.00

36 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Compulsory Convertible Debentures and current borrowing from banks and financial institutions. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at March 31, 2024	As at March 31, 2023
Total debt (refer note 14 and 15)	371.57	3,003.94
Less : cash and cash equivalents and bank balances	589.18	527.20
Adjusted net debt	(217.61)	**2,476.74**
Total equity	**6,451.06**	**2,040.31**
Gearing ratio	**(0.03)**	**0.55**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year March 31, 2024 and March 31, 2023.

Refer note 44(10) of standalone financial statements for return on capital employed.

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

37 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2024	For the year ended March 31, 2023
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current tax**		
	Current year	146.21	25.74
	Tax pertaining to earlier years	-	2.42
	Total (A)	**146.21**	**28.16**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	75.85	18.70
	Total (B)	**75.85**	**18.70**
	Total (A+B)	**222.06**	**46.86**
C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	1.04	(0.84)
		1.04	**(0.84)**

Current tax (assets) / liabilities (net)

		As at March 31, 2024	As at March 31, 2023
D.	Advance tax Including TDS receivable and Self assessment tax paid	(146.24)	(126.55)
E.	Provision for tax	174.16	151.48
		27.92	**24.93**

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income taxes	807.86	131.94
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	235.00	38.00
Tax effect of expenditure disallowed under income tax	5.67	9.18
Effect on account of different tax rate for calculating capital Gain	(17.53)	-
Others	(1.08)	(0.32)
Total income tax expense	**222.06**	**46.86**

Movement during the period ended March 31, 2024	As at April 01, 2023	Credit/(charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2024
Deferred tax assets/(liabilities)				
On property, plant and equipment	203.25	44.31	-	247.56
On provision for employee benefits	(9.00)	(1.54)	(1.04)	(11.58)
Provision for doubtful receiables	(4.37)	(6.23)	-	(10.60)
Borrowings	(11.22)	11.77	-	0.55
Right of use assets (net of lease liability)	-	1.33	-	1.33
MAT Credit Entitlement	(25.74)	9.16	-	(16.58)
On unabsorbed depreciation and business losses	(16.71)	16.71	-	-
Provision for others	(0.34)	0.34	-	-
Total	**135.87**	**75.85**	**(1.04)**	**210.68**

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

Movement during the period ended March 31, 2023	As at April 01, 2022	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2023
Deferred tax (assets)/liabilities				
On property, plant and equipment	129.22	74.03	-	203.25
On provision for employee benefits	(8.82)	(1.02)	0.84	(9.00)
Provision for doubtful receivables	(2.98)	(1.39)	-	(4.37)
Borrowings	(0.75)	(10.47)	-	(11.22)
MAT Credit Entitlement	-	(25.74)	-	(25.74)
On unabsorbed depreciation and business losses	-	(16.71)	-	(16.71)
Provision for others	(0.34)	-	-	(0.34)
Total	**116.33**	**18.70**	**0.84**	**135.87**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

38 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from sale of products	2,686.82	1,478.89
Income from sale of services	594.40	937.26
Income from - scrap sales	105.89	96.90
Export incentives	20.60	3.70
	3,407.71	**2,516.75**
Disaggregated revenue information		
Geographic revenue		
Revenue from contract with customers		
With in India	425.89	493.67
Outside India	2,981.82	2023.08
	3,407.71	**2516.75**
Timing of revenue recognition		
Services transferred at a point of time	615.00	940.96
Goods transferred at a point of time	2,792.71	1,575.79
Total revenue from contracts with customers	**3,407.71**	**2,516.75**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	3,407.71	2,516.75
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**3,407.71**	**2,516.75**

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

Movement in Contract assets during the year

Trade receivables (refer note 9)	As at March 31, 2024	As at March 31, 2023
Opening balance	1,201.63	756.56
Revenue recognised that was included in the contract liability balance at the beginning of the year	3,387.11	2,513.05
Amount received during the year	2,852.82	2,067.98
Closing balance	1,735.92	1,201.63

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of Job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

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

40 Subsequent events

The Company incorporated a fully owned subsidiary named Azad VTC Private Limited in March 2024. Subsequently, the Company invested ₹ 0.1 in the subsidiary

Azad VTC Private Limited ("Azad VTC") entered into a asset purchase agreement with VTC Surface Technologies Private Limited, for the purchase of certain assets related to offering advanced wear, corrosion and heat resistant coatings. These coatings are a critical application on the components which operate in extremely severe conditions for power generation, aerospace & defence and oil & Gas.

The acquisition is expected to compliment and enhance the business of the Company, offering complete turnkey surface coating solutions for its OEM customers. This acquisition is also expected reduce its dependency on approved third party companies for surface coatings and eventually lead to more opportunities & margin expansion in the long-term.

41 Utilisation of funds raised through initial public offer (IPO)

Rs. 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses ₹ 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of ₹ 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

Object of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up March 31, 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 will be utilised by the company for repayment of the balance debts.

**The Company has utilised ₹ 420.00 towards General Corporate Purpose as against the amount of ₹ 241.66 as estimated and stated in the prospectus. The excess utilisation of ₹ 178.34 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.

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

42 Statutory disclosures

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(d) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

(e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

(k) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

(l) The Company has neither declared nor paid any dividend during the reporting period

(m) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for building constructed on the lease hold land as disclosed in note 3(a) and 3(b) in the standalone financial statements.

(n) The Company has not revalued its property, plant and equipment during the financial year 2023-24

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Note on Social Security Code: The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

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

44 Ratios as per the Schedule III requirements

Sno	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Variation	Reason for change more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	4.30	1.91	2.38	124.39%	The increase in current ratio is in line with increase in business during the year
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	0.06	1.47	(1.41)	-96.09%	Improvement in ratio is in line with the increase in due to fresh issue of shares, conversion of entire Compulsorily convertible debentures in equity and furthermore foreclosure of loans during current period.
3	Debt Coverage Ratio	Earnings available for debt service	Total Interest and principal repayments	2.37	1.35	1.02	75.24%	Improvement in ratio is on account of foreclosure of loans during current period.
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Total equity	0.09	0.04	0.05	117.76%	Improvement in ratio is in line with the Increase in profit during the year.
5	Inventory turnover ration (In times)	Cost of goods sold	Average inventory	0.42	0.42	(0.00)	-0.04%	Not a major Variance
6	Trade receivables turnover ratio (in times)	Credit sales	Average Trade Receivables	2.36	2.60	(0.24)	-9.32%	Not a major Variance
7	Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	1.90	1.21	0.69	57.40%	The increase in trade payable ratio is in line with increase in business during the year
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	1.24	1.55	(0.31)	-19.90%	Not a major Variance
9	Net profit ratio (in %)	Net profit after tax	Sales	0.17	0.03	0.14	408.51%	The increase in the ratio is due to increase in the profit and revenue during the year
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed	0.19	0.13	0.06	44.37%	The profits of the Company have increased on account of increase in revenue and repayment of its borrowings. Accordingy, the return on capital employed ratio has increased over last year, which indicates better operational performance and debt management by the Company.

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Consolidated Independent Audit Report

Opinion

We have audited the accompanying consolidated financial statements of Azad Engineering Limited (formerly known as Azad Engineering Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc but does not include the consolidated financial statements and our auditor's report thereon. The information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc is expected to be made available to us after the date of this auditor's report.

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

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

When we read the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

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

Other Matters

1. We did not audit the financial statements of the two Indian subsidiaries, whose financial information reflects total revenue of ₹ 0.35 Mn, total net loss after tax ₹ 0.03 Mn, total comprehensive loss of ₹ 0.03 Mn for the period April 01, 2023 to September 15, 2023 respectively as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.
2. We did not audit the financial statement of the one foreign subsidiary , whose financial information reflects total revenue of ₹ nil, total net loss after tax ₹ nil, total comprehensive loss of ₹ nil for the period April 01, 2023 to January 07, 2024 respectively as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report, to the extent applicable, that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g)
    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g)

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to the consolidated financial statements.

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

  iv.

    1. The respective Managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    2. The respective Managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, associates and joint ventures from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

  v. The Company has neither declared nor paid any dividend during the year.

  vi. Based on our examination, the Holding company has used an accounting software for maintaining its books of account during the year ended March 31, 2024,which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of the software (SAP B1), to log any direct data changes. The books of account of the two wholly owned subsidiary companies are maintained in an electronic mode but not using an accounting software i.e., books of account have been maintained manually. Accordingly, reporting under Rule 11(g) of sub-section 3 of Section 143 of the Act is not applicable for these two subsidiary companies.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level, as stated above, in respect of which the audit trail facility has not operated throughout the year. Also, during the course of our examination, we and did not come across any instance of audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 2 subsidiaries as the provisions of the aforesaid section is not applicable to private companies.

3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Azad Engineering Limited	U74210TG1983PLC004132	Holding Company	Clause i(c)
2	Azad Engineering Limited	U74210TG1983PLC004132	Holding Company	Clause iii(a) and iii(f)
3	Azad Engineering Limited	U74210TG1983PLC004132	Holding Company	Clause vii(a) and vii(b)
4	Azad Engineering Limited	U74210TG1983PLC004132	Holding Company	Clause x(a)

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIW8202

Place: Hyderabad
Date: May 21, 2024

Annexure A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED(FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIW8202

Place: Hyderabad
Date: May 21, 2024

Annexure B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED(FORMERLY KNOWN AS AZAD ENGINEERING PRIVATE LIMITED)

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Azad Engineering Limited(formerly known as Azad Engineering Private Limited) on the consolidated Financial Statements for the year ended March 31, 2024]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Azad Engineering Limited(formerly known as Azad Engineering Private Limited) (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

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

The respective Management and the Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, 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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAIW8202

Place: Hyderabad
Date: May 21, 2024

Consolidated Balance Sheet
as at March 31, 2024

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

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	2,545.41	2,166.54
Right-of-use assets	3(b)	27.33	-
Capital work-in-progress	4	454.34	379.86
Financial assets			
- Other financial assets	5	246.92	33.72
Other non-current assets	6	479.71	475.67
Total non-current assets		**3,753.71**	**3,055.79**
Current assets			
Inventories	7	1,329.63	860.63
Financial assets			
(i) Trade receivables	8	1,699.53	1,186.63
(ii) Cash and cash equivalents	9(a)	281.86	194.06
(iii) Bank balances other than (ii) above	9(b)	307.32	333.27
(iv) Other financial assets	5	-	0.91
Other current assets	10	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	11	118.23	16.52
Other equity	12	6,332.40	2,023.36
Total equity		**6,450.63**	**2,039.88**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	271.13	2,208.61
(ia) Lease liabilities	3(b)	20.05	-
Provisions	16	36.08	25.64
Deferred tax liabilities (net)	17	210.68	135.87
Total non-current liabilities		**537.91**	**2,370.12**
Current liabilities			
Financial liabilities			
(i) Borrowings	14	100.44	797.40
(ia) Lease liabilities	3(b)	2.71	-
(ii) Trade payables	15		
(a) total outstanding dues of micro and small enterprises		208.62	191.78
(b) total outstanding dues of creditors other than micro and small enterprises		290.92	303.23
(iv) Other financial liabilities	18	118.63	123.36
Provisions	16	4.26	2.74
Contract liabilities		-	-
Other current liabilities	19	228.72	38.64
Current tax liabilities (net)	20	27.92	24.93
Total current liabilities		**982.22**	**1,482.08**
Total liabilities		**1520.16**	**3,852.20**
Total equity and liabilities		**7970.79**	**5,892.08**

See accompanying notes forming part of the consolidated financial statements 1-42

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Consolidated Statement of Profit and Loss
for the year ended March 31, 2024

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

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Income			
Revenue from operations	21	3,407.71	2,516.75
Other income	22	319.93	98.46
Total income (I)		**3,727.64**	**2,615.21**
II. Expenses			
Cost of materials consumed	23 (a)	667.63	495.22
Changes in inventories of finished goods and work-in-progress	23 (b)	(207.41)	(193.71)
Employee benefits expense	24	742.65	592.69
Finance costs	25	472.65	523.82
Depreciation and amortisation expense	26	205.30	165.83
Other expenses	27	1,038.96	899.77
Total expenses (II)		**2,919.78**	**2,483.62**
III. Profit before tax for the year (I-II)		**807.86**	**131.59**
IV. Tax expenses			
Current tax	36	146.21	28.16
Deferred tax	36	75.85	18.70
Total tax expense (IV)		**222.06**	**46.86**
V. Profit after tax for the year (III-IV)		**585.80**	**84.73**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement gains/(losses) on defined benefit plans		(3.58)	2.90
Tax related to above items		1.04	(0.84)
Total other comprehensive (loss) / income for the year (VI)		**(2.54)**	**2.06**
VII. Total comprehensive income for the year (V + VI)		**583.26**	**86.79**
VIII. Earnings per share (Face value of share ₹ 2 each)			
- Basic	30	11.20	1.80
- Diluted		11.20	1.80

See accompanying notes forming part of the consolidated financial statements 1-42

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
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Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Consolidated Statement of Changes in Equity
for the year ended March 31, 2024

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

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2022		**15,13,200**	**15.13**
Changes in equity share capital during the year	11	1,38,626	1.39
As at March 31, 2023		16,51,826	16.52
Changes in equity share capital during the year	11	5,74,61,167	101.71
As at March 31, 2024		**5,91,12,993**	**118.23**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Total
		Securities premium	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit obligations	
Balance as at April 01, 2022	**12**	**2.97**	**1,146.79**	**39.00**	**(3.82)**	**1,184.94**
Profit for the year		-	84.73	-	-	84.73
Other comprehensive income (net of tax)		-	-	-	2.06	2.06
Issue of equity shares		571.63	-	-	-	571.63
Allotment of Equity shares pursuant to conversion of CCD's into Equity		180.00	-	-		180.00
Balance as at March 31, 2023	**12**	**754.60**	**1,231.52**	**39.00**	**(1.76)**	**2,023.36**
Profit for the year		-	585.80	-	-	585.80
Other comprehensive income (net of tax)		-	-	-	(2.54)	(2.54)
Issue of equity shares		2,390.84	-	-	-	2,390.84
Allotment of Equity shares pursuant to conversion of CCD's into Equity		1,590.04	-	-	-	1,590.04
Share issue expenses		(172.51)	-	-	-	(172.51)
Amount utilised for bonus issue		-	(82.59)	-	-	(82.59)
Balance at March 31, 2024		**4,562.97**	**1,734.73**	**39.00**	**(4.30)**	**6,332.40**

See accompanying notes forming part of the consolidated financial statements 1-42

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

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Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Consolidated Statement of Cash flows
for the year ended March 31, 2024

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

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities			
Profit before tax		807.86	131.59
Adjustments for :			
Depreciation and amortisation expense		205.30	165.83
Finance costs		472.65	523.82
Loss due to fire		-	31.79
Gain on derecognition of financial liabilities		175.62	-
Net unrealized foreign exchange gain		(6.24)	(27.15)
Provision for credit impaired trade receivable		21.39	4.75
Interest income		(14.02)	(26.73)
Profit on sale of property plant and equipment		(42.00)	-
Gain on sale of investment in subsidiary		(56.03)	-
Operating profit before working capital changes		**1,564.53**	**803.90**
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(528.05)	(417.92)
Inventories		(469.00)	(308.27)
Other financial assets		(207.92)	(17.08)
Other current assets		(337.04)	(80.85)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		4.53	49.90
Other financial liabilities		18.03	(34.74)
Provisions		11.96	14.67
Other liabilities		19.71	(15.31)
Cash generated from / (used in) operations		**76.75**	**(5.70)**
Income taxes paid (net of refund)		(146.24)	(96.39)
Net cash flow used in operating activities	**A**	**(69.49)**	**(102.09)**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in progres and capital advances)		(753.40)	(856.22)
Proceeds from sale of property, plant and equipment		42.02	18.77
Proceeds from sale of investment in subsidiaries		118.86	-
Deposits (placed)/ matured with banks		25.95	(200.79)
Interest received		14.02	26.73
Net cash flow used in investing activities	**B**	**(552.55)**	**(1,011.51)**

Consolidated Statement of Cash flows Cont...

for the year ended March 31, 2024

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

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
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
Principal paid on lease liabilities		(1.68)	-
Interest paid on lease liabilities		(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**	**709.87**	**1,263.41**
Net increase in cash and cash equivalents	**A+B+C**	87.83	149.81
Cash and cash equivalents at the beginning of the year		194.06	44.25
Cash and cash equivalents at end of the year (Refer Note 9)		**281.89**	**194.06**

See accompanying notes forming part of the consolidated financial statements

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

1 Corporate information

Azad Engineering Limited (Formerly Azad Engineering Private Limited) ('the parent company'/'holding company') is one of the only Indian manufacturers of highly engineered, complex, mission and life critical high precision components. Our products include 3D rotating airfoil portions of turbine engines and other key products for combustion, hydraulics, flight-controls, propulsion and actuation which power defence and civil aircrafts, spaceships, defence missiles, nuclear power, hydrogen, gas power, oil and thermal power.

The Company was incorporated in September 1983, under the Companies Act, 1956, and is having its registered office at 90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana - 500055. The Company was converted to public limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on July 14, 2023. Consequently, the name of the Company was changed to "Azad Engineering Limited".

The equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') on December 28, 2023.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & basis for preparation

These Consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the "Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant amendment rules issued thereafter.

The company has prepared the Consolidated financial statements on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

These Consolidated financial statements were approved by board of directors and authorised for issue on May 21, 2024

(ii) Functional and presentation currency

These consolidated Financial Statements are presented in Indian Rupees., which is also the Company's functional currency. consolidated Financial Statements presented in Indian rupees have been rounded-off to two decimal places to the nearest Millions except share data or as otherwise stated.

(iii) Basis of measurement

The consolidated Financial Statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities: Measured at fair value
- Borrowings : Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability : Present value of defined benefit obligations

(iv) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with the recogition and measurement principles of Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Assumptions and estimation uncertainties

The Company uses critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements, for the following areas:

- Determining an asset's expected useful life and the expected residual value at the end of its life.
- Impairment of non financial assets and financial assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(vi) Operating cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as twelve (12) months.

(vii) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing these consolidated financial information to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31 or upto the date till relation of parent-subsidiary existed.

Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows rotating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries considered in the Consolidated financial information:

Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
			March 31, 2024	March 31, 2023
Rouland Chemicals Private Limited#	Subsidiary	India	0%	100%
Swastik Coaters Private Limited#	Subsidiary	India	0%	100%
Azad Engineering Pte Ltd*	Subsidiary	India	0%	100%

* With effect from September 16, 2023, the Company sold its investment in Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd. Accordingly, these entities ceased to be subsidiaries of Azad Engineering Limited due to complete sale of Investment in subsidiaries.

#During the month of 14 October 2020, the Company has subseribed for investment in Azad Engineering Pre Limited - 10,000 equity share of SGD 1 each. as 100% subsidiary of the Company, domiciled in Singapore. The shares are allotted by the subsidiary for which amount is yet to be paid by the Company. The Company made an application for strike off and this application has been approved on January 08, 2024.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of products:

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. No significant element of financing is deemed present for the sales made with a credit term, which is consistent with market practice. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115.

ii) Sale of services:

The Company renders job work services that are provided separately. The Company recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

iii) Export benefits:

Export benefits are recognised where there is reasonable assurance that the benefit will be received and all attached conditions will be complied with. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

iv) Interest income:

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss

B. Borrowing cost

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve (12) month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve (12) month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve (12) months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased if the payment is over due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

iv) Derecognition of financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Written - off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

D Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment ('PPE') are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Freehold land is measured at cost and not depreciated. All other items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which it is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Based on the technical assessment of useful life, Plant and machinery is being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Act. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives of the assets adopted by the company based on technical evaluation are given below:

Useful life table

Category of asset	Useful lives estimated by the management (years)	Useful lives as per Schedule II of Companies Act, 2013 (years)
Plant & machinery	15	7.5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss. Useful lives and residual values are reviewed at each period end and adjusted if appropriate.

iii) Expenditure during construction period:

Capital work-in-progress (CWIP) includes cost of PPE under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date. Expenditure/ income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current assets".

E Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined on weighted average basis.

Raw Materials are valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. These items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

b) Finished goods and work in progress (WIP):

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs.

It is valued at lower of cost and NRV. Cost of finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

c) Provision for inventory

Provision of obsolescence on inventories is considered basis the management's estimate, based on demand and market of the inventories.

d) Scrap inventory

Scrap is valued at net realisable value.

e) Tools

Tools used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools, subject to a maximum of 5 years.

F Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

G Employee benefits

(a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is actuarially valued using the projected unit credit method, at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated Absences:

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

H Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

(i) the contract involves the use of identified asset;

(ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Company has the right to direct the use of the asset.

Company as a lessee:

The Company recognizes a **right-of-use asset ("ROU")** and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method, except those which are payable in other than functional currency which is measured at fair value through profit or loss. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities have been presented in 'Financial Liabilities' and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

I Taxation

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on independent tax specialist advice.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

J Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in Consolidated Financial Statements since this may result in the recognition of income that may never be realised.

However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

K Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

L Cash flow statement

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

M Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

N Foreign currency transactions and balances

In preparing the consolidated Financial Statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration**.**

O Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

P Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

3(a) Property, plant and equipment

Particulars	Land	Factory buildings	Plant & machinery	Electrical fittings	Furniture and fixtures	Computer & data processing Units	Servers & networks	Office equipment	Vehicles	Total
Gross carrying amount (deemed cost)										
As at April 1, 2022	**82.59**	**99.93**	**1,299.74**	**39.60**	**18.97**	**22.76**	**22.41**	**21.40**	**58.48**	**1,665.88**
Additions	-	20.57	839.57	10.87	3.16	6.55	8.05	15.38	15.70	919.85
Disposals	-	(2.17)	(28.65)	(0.32)	(0.35)	-	-	-	-	(31.49)
Balance as at March 31, 2023	**82.59**	**118.33**	**2,110.66**	**50.15**	**21.78**	**29.31**	**30.46**	**36.78**	**74.18**	**2,554.24**
Additions	-	21.01	537.63	21.20	7.11	14.37	9.45	12.73	28.77	652.27
Disposals	(69.73)	-	-	-	-	(0.08)	-	-	-	(69.81)
Balance as at March 31, 2024	**12.86**	**139.34**	**2,648.29**	**71.35**	**28.89**	**43.60**	**39.91**	**49.51**	**102.95**	**3,136.70**
Accumulated depreciation										
As at April 1, 2022	**-**	**7.35**	**157.31**	**14.75**	**3.98**	**11.78**	**5.29**	**6.05**	**15.36**	**221.87**
Depreciation	-	3.91	133.97	4.49	2.57	5.00	4.19	5.95	8.11	168.19
Disposals	-	(0.13)	(2.10)	(0.06)	(0.07)	-	-	-	-	(2.36)
Balance as at March 31, 2023	**-**	**11.13**	**289.18**	**19.18**	**6.48**	**16.78**	**9.48**	**12.00**	**23.47**	**387.70**
Depreciation	-	4.23	159.37	6.09	2.89	7.51	5.07	8.15	10.32	203.63
Disposals	-	-	-	-	-	(0.04)	-	-	-	(0.04)
As at March 31, 2024	**-**	**15.36**	**448.55**	**25.27**	**9.37**	**24.25**	**14.55**	**20.15**	**33.79**	**591.29**
Net carrying amount										
As at March 31, 2023	**82.59**	**107.20**	**1,821.48**	**30.97**	**15.30**	**12.53**	**20.98**	**24.78**	**50.71**	**2,166.54**
As at March 31, 2024	**12.86**	**123.98**	**2,199.74**	**46.08**	**19.52**	**19.35**	**25.36**	**29.36**	**69.16**	**2,545.41**

Note: Property, plant and equipment pledged as security

Refer note 13 for information on property, plant and equipment pledged as security by the Company.

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

3(b) Right- of-use assets (ROU) and lease liabilities

(i) Movement in right- of- use assets and lease liabilities is given below:

a. Right- of-use assets

Particulars	Right of use assets(Land)
Cost	
As at April 01, 2023	**-**
Additions	29.00
Disposals	-
As at March 31, 2024	**29.00**
Accumulated amortisation	
As at April 01, 2023	**-**
Amortisation for the year	1.67
Disposals	-
As at March 31, 2024	**1.67**
Net carrying amount as at March 31, 2024	**27.33**

b. Lease liabilities

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

Particulars	Amount
As at April 01, 2023	**-**
Additions during the year	23.26
Finance cost	1.18
Payments	(1.68)
As at March 31, 2024	**22.76**
Break up of the closing lease liabilities	
Current liabilities	2.71
Non-current	20.05

(ii) Payments recognised as expenses during the year

Particulars	Amount
Short term leases for the year ended March 31, 2024 (refer note 27)	11.12
Short term leases for the year ended March 31, 2023 (refer note 27)	8.01

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

Particulars	Amount
Less than one year	2.96
One to five years	13.41
More than five years	18.17

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

4 Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Capital works in progress	454.34	379.86

Ageing of Capital work in progress

Project in progress	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024	74.48	143.30	236.56	-	454.34
As at March 31, 2023	143.30	236.56	-	-	379.86

There are no projects as Capital Work in Progress as at March 31, 2024 and March 31, 2023 whose completion is overdue or cost of which has exceeds in comparison to its original plan.

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2024: ₹ 35.41 (March 31, 2023 : ₹ 61.48).

5 Other financial assets

	As at March 31, 2024	As at March 31, 2023
Non-current (at amortised cost)		
(Unsecured considered good)		
Deposits		
Security deposits	47.41	12.42
Deposit accounts with maturity for more than 12 months (refer note below)	199.51	21.30
	246.92	**33.72**

Note: Out of the deposits, amount of ₹ 183.50 as at March 31, 2024 (March 31, 2023: ₹ 20.17) held as lien by banks towards the various fund facilities sanctioned.

Current		
Interest accrued on fixed deposits	-	0.91
	-	**0.91**

6 Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
(Unsecured, considered good)		
Capital advances	384.26	379.90
Prepaid expenses	62.11	65.48
Balance with statutory authorities - deposits	33.34	30.29
	479.71	**475.67**

7 Inventories*

	As at March 31, 2024	As at March 31, 2023
Raw material	529.24	252.33
Work in progress	600.70	399.93
Finished goods	19.83	65.03
Scrap inventory	80.99	31.83
Consumable stores, spares & fixtures	98.87	111.51
	1,329.63	**860.63**

* Valued at lower of cost and net realisable value

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

8 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Unsecured,		
- Considered good (refer note below)	1,699.53	1,186.63
- Credit impaired	36.39	15.00
	1,735.92	**1,201.63**
Allowance for bad and doubtful debts		
Less: Receivables credit impaired	(36.39)	(15.00)
	1,699.53	**1,186.63**

Notes:

i No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

ii Trade receivables are non-interest bearing and generally on terms of 120 to 180 days

iii Trade receivables include debts from related parties (refer note 29)

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34

Movement in the allowance for bad and doubtful debts is as follows:

	As at March 31, 2024	As at March 31, 2023
Opening balance	15.00	10.25
Credit loss added	21.39	4.75
Closing balance	36.39	15.00

Ageing schedule of Trade receivables outstanding As at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following period from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered good	1,009.67	460.99	98.07	129.15	18.32	19.72	1,735.92
Undisputed Trade receivables credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,735.92**
Less: Impairment loss on credit impaired Trade receivables	-	-	-	-	-	-	36.39
Total	**1,009.67**	**460.99**	**98.07**	**129.15**	**18.32**	**19.72**	**1,699.53**

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

Ageing schedule of Trade receivables outstanding As at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following period from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered good	826.81	245.80	78.93	35.04	3.34	11.71	1,201.63
Undisputed Trade receivables credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
Total	**826.81**	**245.80**	**78.93**	**35.04**	**3.34**	**11.71**	**1,201.63**
Less: Impairment loss on credit impaired Trade receivables	-	-	-	-	-	-	15.00
Total	**826.81**	**245.80**	**78.93**	**35.04**	**3.34**	**11.71**	**1,186.63**

9 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks		
In current accounts	268.05	106.38
In EEFC Accounts	-	0.01
Deposits with maturity of less than 3 months [refer note below]	-	72.26
Cash on hand	13.81	15.41
	281.86	**194.06**
(b) Bank balances other than Cash and cash equivalents:		
- Deposit with maturity for more than 3 months but less than 12 months [refer note below]	307.32	333.27
	307.32	**333.27**
	589.18	**527.33**

Note: Out of the deposits, amount of ₹ 1.56 as at March 31, 2024 (March 31, 2023: ₹ 127.27) held as lien by banks towards the various fund facilities sanctioned.

10 Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	137.13	111.36
Advances to employees	8.95	17.35
Balance with government authorities	262.54	104.02
Other deposits and advances*	13.66	10.63
Prepaid expenses	18.36	17.43
IPO Receivable	158.10	-
	598.74	**260.79**

Other deposits and advances include advances to related parties (refer note 29)

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

11 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorized share capital		
75,000,000 equity shares of ₹ 2 each as at 31 March 2024 [15,00,0000 equity shares of ₹ 10 each as at March 31, 2023]	150.00	150.00
Issued, subscribed and paid up		
5,91,12,993 equity shares of ₹ 2 each at March 31, 2024 [1,651,826 equity shares of ₹ 10 each at March 31, 2023]	118.23	16.52
	118.23	**16.52**

Notes:

i) Reconciliation of authorised share capital

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at beginning of the year	1,50,00,000	150.00	1,00,00,000	100.00
Changes during the year (refer note (i) & (ii) below)	6,00,00,000	-	50,00,000	50.00
Outstanding at the end of the year	7,50,00,000	150.00	1,50,00,000	150.00

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

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	16,51,826	16.52	15,13,200	15.13
Add:				
Impact of shares split (refer note (iii) below)	66,07,304	-		
Allotment of equity shares pursuant to conversion of CCD's into Equity (Refer note 13(vi))	49,78,062	9.96	43,488	0.44
Issue of bonus shares (refer note (iv) below)	4,12,95,650	82.59		
Shares issued during the year (refer note (*) below)	45,80,151	9.16	95,138	0.95
Outstanding at the end of the year	5,91,12,993	118.23	16,51,826	16.52

Shareholders vide the Extra-ordinary general meeting dated have approved the following :

During previous year

i) Authorized Share Capital of the Company increased from ₹ 100.00 divided into 50,00,000 Equity Shares of ₹ 10/- each to ₹ 150.00 Mn divided into 1,50,00,000

During Current year

ii) Sub-division of the Authorised Share Capital consisting of 1,50,00,000 equity shares of the Company having face value of ₹ 10 each into 7,50,00,000 equity shares of face value of ₹ 2 each w.e.f., September 12, 2023, without altering the aggregate amount of the same.

iii) Further, the issued, subscribed and paid-up share capital consisting of 16,51,826 equity shares of the Company having face value of ₹ 10 each shall stand sub-divided into 82,59,130 equity shares having face value of ₹ 2 each w.e.f., September 12, 2023 without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as to the existing fully paid-up equity shares of ₹ 10 each of the Company.

iv) Issue of fully paid bonus shares of ₹ 2 each in proportion of 5 equity shares for every 1 existing equity share by capitalizing a sum of ₹ 82.59 from the retained earnings available with the Company.

* the Company completed an Initial Public Offer ("IPO") of 14,122,108 equity shares at the face value of ₹ 2 each at an issue price of ₹ 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 ₹ 7,399.98. 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.

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

iii) Rights, preferences and restrictions attached to equity shares of ₹ 2 each, fully paid up:

The Company had only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435.00	88.66%

v) Shareholding of promoters

Name of promoter	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,83,30,255	64.84%	14,64,435.00	0.89
Jyoti Chopdar	-	0.00%	4,800.00	0.00
Shakuntala Chopdar	-	0.00%	1,600.00	0.00

vi) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

12 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium (refer note (i))	4,562.97	754.60
Retained earnings (refer note (ii))	1,734.73	1,231.52
Capital redemption reserve (refer note (iii))	39.00	39.00
Other comprehensive income (refer note (iv))	(4.30)	(1.76)
Total other equity	**6,332.40**	**2,023.36**

Notes:

(i) Securities premium

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	754.60	2.97
Add: Allotment of equity shares on conversion of CCD's	1,590.04	180.00
Add: Issue of shares on private placement	-	571.63
Add: Issue of equity shares during the year	2,390.84	-
Less: Share issue expenses	(172.51)	
Closing balance	**4,562.97**	**754.60**

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

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

(ii) Retained earnings

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	1,231.52	1,146.79
Add: Profit for the year	585.80	84.73
Less: capitalisation of reserves due to bonus issue	(82.59)	-
Closing balance	**1,734.73**	**1,231.52**

Retained earnings represents the Company's undistributed earning after tax

(iii) Capital redemption reserve

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	39.00	39.00
Add: Transfer from retained earnings	-	-
Balance at the end of the year	39.00	**39.00**

Capital redemption reserve represents an amount equal to the nominal value of the preference shares redeemed transferred from retained earnings at the time of redemption of preference shares to the capital redemption reserve. The reserve will be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

iv) Other comprehensive income (OCI)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement of defined benefit obligations (liability net of tax)		
Opening balance	(1.76)	(3.82)
Add: Actuarial gains/(loss) recognised during the year	(3.58)	2.90
Income-tax thereon	1.04	(0.84)
Closing balance	(4.30)	(1.76)

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

13 Long term borrowings (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Secured		
Compulsorily convertible debentures (refer note (vi))	-	1,648.07
Term loans		
- from bank (refer note (i), (ii) & (iii))	117.75	661.37
- from others (refer note (iv))	213.24	114.32
Vehicle loans (refer note (v))	36.58	23.25
Unsecured		
Loan from related parties (refer note (vii))	-	5.82
Less : Current maturities of long term borrowings	(96.44)	(244.22)
Total	**271.13**	**2,208.61**

(i) Terms of long term loan from ICICI Bank

The outstanding term loan carries a rate of interest ranging from 9.85% to 10.85% to p.a with repayments to be made in 66 monthly equal instalments starting from september, 2025.

The primary security for the loan was secured by way of:

(a) First charge by way of hypothecation on entire Property, plant and equipment of the Company

(b) Second charge by way of hypothecation on entire current assets of the Company

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

The loan was also secured by collateral security of first charge on the, Industrial land admeasuring 8831 Sq. yards along with building, located at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana in the name of Azad Engineering Limited.

(ii) Loan from Yes Bank

The outstanding term loan carries a rate of interest 10.50% p.a with repayments to be made in 24 monthly unequal instalments.

The Company has taken the Equipment Finance Loan arrangement flor buying of specific Plant & Machinery. This loan is secured by exclusive charge by way of hypothecation of machinery purchased.

(iii) Terms of Long Term Loan from Consortium Banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

The outstanding term loan carries a rate of interest ranging from 7.5 % to 8.5% p.a with repayments to be made in 6-20 quartly equal instalments.

The primary security for the loans consists of:

1. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).
2. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

The collateral security for the loan includes:

1. First pari-passu charge on industrial land (5178.80 sq. yards) and building at plot no. 90/C, Phase 1, IDA Jeedimetla, Hyderabad, Telangana, in the name of Swastik Coaters Pvt Ltd.
2. First pari-passu charge on industrial land (5392 sq. yards) and building at plot no. 90/D, Phase 1, IDA Jeedimetla, Hyderabad, Telangana, in the name of M/s Rouland Chemicals Pvt Ltd.
3. First pari-passu charge on industrial land (8831 sq. yards) and building at plot no. 17/B, Phase III, Industrial Park, Sy.No.163 & 164, APIIC IALA, Pashamylaram, Patancheru, Medak, Telangana, in the name of Azad Engineering Private Limited.

The loan is also secured by the personal guarantees of Mr. Rakesh Chopdar and Mrs. Jyoti Chopdar, and the corporate guarantees of Swastik Coaters Pvt Ltd and Rouland Chemicals Pvt Ltd.

(iv) Loan from TATA Capital

The outstanding term loan carries a rate of interest ranging from 9.63 % to 14.29 % p.a with repayments to be made in 24-60 monthly equal instalments.

The company has taken the Equipment Finance Loan arrangement and the same is used for buying of specific Plant & Machinery and these are secured by exclusive charge by way of Hypothecation of machinery purchased to be purchased out of fund.

(v) Vehicle loans

Vehicle loans from bank amounting to ₹ 36.58 (March 31, 2023: ₹ 23.25) carry interest rate of 7.25% to 11.04% p.a and are repayable in 37- 39 equated monthly instalments. The said loans are secured by way of hypothecation of vehicles purchased.

(vi) Terms of Compulsorily convertible debentures -Piramal Trusteeship Private Limited

The company has raised the CCD (Compulsory Convertible Debenture) from Piramal Structured Credit Opportunities Fund. The investment amount is ₹ 1,600 and company has issued 1,600 fully paid –up Compulsorily Convertible Debenture.

The CCD's are secured by

1) 51% share pledge of all the present and future shares outstanding of the Issuer, (on a fully diluted basis, present and future and in dematerialised form) shall be required.
2) Non-Disposable Undertaking ("NDU") and Non-encumbrance over the balance shares present and future on a fully diluted basis and POA
3) First charge on all machinery purchased from the proceeds of the Instrument (to the tune of ₹ 400.00) and
4) Second Charge on security given to Consortium Bank.

The CCD carries the coupon of 10% per annum payable monthly, which shall increase to 14% post expiry of 36 months, and then increase by 2% at the beginning of each calendar quarter up to 20% till conversion of the CCDs.

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

The instrument has life of 7 years with Put & Call option and minimum assured IRR is 18% or MOIC of 1.35x. There is upside sharing with the company if Piramal make IRR greater than 22%. The CCD will be converted into equity base on pre agreed EV/EBITDA of 18 times of FY 2022-23 net of debt.

On December 11, 2023, Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund, were converted into 4,978,062 Equity Shares.

(vii) The Company has repaid all loans from related parties during the year.

14 Short-term borrowings

	As at March 31, 2024	As at March 31, 2023
Secured		
Working capital loans (refer below note)	4.00	553.18
Current maturities of long term borrowings (refer note 13)	96.44	244.22
	100.44	**797.40**

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

The short-term borrowings are repayable on demand, renewable on an yearly basis and carries a rate of interest range from 7.5% to 8% p.a

'The company has taken the Working Capital Loan under consortium arrangement which is lead by UBI and has IndusInd and ICICI Bank as other members. The company has taken PCFC (Packing Credit Foreign Currency) for funding of working capital requirement

The Primary Security for the loans are;

1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and

2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future).

15 Trade payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 32)	208.62	191.78
- Total outstanding dues of creditors other than micro enterprises and small enterprises	290.92	303.23
	499.54	**495.01**

Notes:

Trade payables are non-interest bearing and are normally settled in 30-90 days term.

Refer note 34 for the Company's liquidity and currency risk management process

Refer note 29 for trade payables to related parties

Trade payables ageing schedule as at March 31, 2024

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	104.15	104.47	-	-	-	208.62
(ii) Others	176.39	113.58	0.86	0.09	-	290.92
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	280.54	**218.05**	**0.86**	**0.09**	**-**	**499.54**

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

Trade payables ageing schedule as at March 31, 2023

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	103.94	85.50	2.34	-	-	191.78
(ii) Others	209.48	86.38	7.32	0.05	-	303.23
(iii) Disputed Dues - MSME		-	-	-	-	-
(iv) Disputed Dues - Others		-	-	-	-	-
(v) Unbilled dues		-	-	-	-	-
	313.42	**171.88**	**9.66**	**0.05**	**-**	**495.01**

16 Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
i. Provision for gratuity (refer note 33)		
Non-current	36.08	25.64
Current	3.38	2.46
ii. Provision for compensated absences		
Current	0.88	0.28
	40.34	**28.38**
Non-current	36.08	25.64
Current	4.26	2.74

17 Deferred tax liabilities (net)*

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	247.56	203.25
Provision for employee benefits	(11.58)	(9.00)
Borrowings	0.55	(11.22)
MAT credit entitlement	(16.58)	(25.74)
Receivables credit impaired	(10.60)	(4.37)
Provision for others	-	(0.34)
Right-of-use assets (net of lease liability)	1.33	-
On unabsorbed depreciation and business losses	-	(16.71)
	210.68	**135.87**

*refer note 36

18 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Employee related payables	54.69	56.29
Interest accrued but not due on borrowings	1.80	0.71
Capital creditors	18.94	24.32
Others*	43.20	42.04
	118.63	**123.36**

*Includes payable amounting to ₹ 39.00 to preference shareholders

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

19 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory due payable	12.95	15.02
Advance from customers	31.38	16.51
IPO expense payable	137.69	-
Others payables	46.70	7.11
	228.72	**38.64**

20 Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Current tax payable	174.16	151.48
Current tax assets		
Advance tax including self assessment tax	(146.00)	(123.15)
TDS and TCS receivable	(0.24)	(3.40)
	27.92	**24.93**

21 Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers (refer note 37)		
Sale of products	2,686.82	1,478.89
Sale of services	594.40	937.26
Other operating revenue		
- Scrap sales	105.89	96.90
- Export incentives	20.60	3.70
	3,407.71	**2,516.75**

22 Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on foreign currency transactions and translations	24.27	60.11
Interest income		
- on fixed deposits	14.02	26.73
- Financial assets at amortised cost	0.58	0.37
Gain on derecognition of financial liabilities*	175.62	9.58
Profit on sale of Property Plant and Equipment	42.00	-
Gain on sale of investment in subsidiary	56.03	-
Miscellaneous income	7.41	1.67
	319.93	**98.46**

*Compulsorily Convertible Debentures of Piramal Structured Credit Opportunities Fund were converted into equity on December 11, 2023. As per the contractual terms interest provided for in excess of the coupon rate amounting to ₹ 175.62 was no longer payable and accordingly reclassified to other income in quarter ended December 31, 2023.

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

23(a) Cost of materials Consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Opening stock of raw material	252.33	204.09
Add: Purchases	944.54	543.46
Less: Closing stock of raw material	(529.24)	(252.33)
	667.63	**495.22**

(b) Changes in inventories of finished goods and work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year		
Work in progress	399.93	280.10
Finished goods	65.03	20.30
Scrap inventory	29.15	-
	494.11	**300.40**
Inventory at the end of the year		
Work in progress	(600.70)	(399.93)
Finished goods	(19.83)	(65.03)
Scrap inventory	(80.99)	(29.15)
	(701.52)	**(494.11)**
	(207.41)	**(193.71)**
Total material consumed	**460.22**	**301.51**

24 Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	676.37	550.50
Contribution to provident and other funds	22.01	18.83
Gratuity expense (refer note 33)	9.29	8.52
Staff welfare expenses	34.98	14.84
	742.65	**592.69**

25 Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on		
- Term loans	51.26	72.25
- Working capital loans	57.41	30.22
- Compulsorily Convertible Debentures	207.55	148.64
- Lease liabilities	1.18	-
- Others	10.01	15.58
Premium on redemption of debentures	-	146.50
Exchange differences adjusted to borrowing costs	14.27	66.10
Bank charges	4.24	3.09
Other borrowing costs	126.73	41.44
	472.65	**523.82**

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

26 Depreciation expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3(a))	203.63	165.83
Amortization of right-to-use assets (refer note 3(b))	1.67	-
	205.30	**165.83**

27 Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Stores and spares consumed	142.56	99.90
Job work charges	193.66	175.65
Tools	218.88	179.52
Repairs and maintenance :		
- Machinery	19.48	18.11
- Others	6.96	3.78
Transportation charges	60.22	65.37
Power and fuel	135.60	116.21
Inspection and testing	15.41	5.27
Sales commission	9.05	12.21
Business promotion	5.16	6.34
Communication, broadband and internet expenses	3.08	0.55
Insurance	17.93	20.20
Travelling and conveyance expenses	22.64	9.70
Rent (refer note 3(b))	11.12	8.01
Rates and taxes	37.82	25.71
Professional & consultancy fees	14.50	22.22
Printing , stationary, postage and courier	6.90	9.99
Auditors remuneration	3.90	5.45
Corporate social responsibility (CSR) expenses	4.72	6.02
Loss due to fire	-	31.79
Security charges	14.70	14.00
Outsourced manpower cost	57.21	44.16
Provision for credit impaired trade receivable (refer note 8)	21.39	4.75
Miscellaneous expenses	16.07	14.86
	1,038.96	**899.77**

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

28 Contingent liabilities and commitments

(a) Contingent Liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Direct tax	27.23	6.82
Goods and service tax	9.51	-
Customs duty	75.11	86.24
Bank guarantees	-	0.50

Direct tax:

For AY 2022-23, a demand of ₹ 15.71 arose out of an intimation order dated July 26, 2023 passed u/s 143(1) on processing of return of income. The demand was due to credit not allowed in respect of a challan of ₹ 2.00 due to mismatch and denial of deduction claimed u/s 80JJAA amounting to ₹ 33.76. The Company has submitted a request for allowing the credit and submitted necessary application to the authority seeking relief in this matter. Based on the facts and circumstances of the case, management is of the view that application would be considered favourably by the respective authority and necessary relief would be granted.

For AY 2021-22 a demand of ₹ 3.96 was received vide an intimation order dated March 7, 2023 passed u/s 143(1) while processing the of return of income. The demand arose due to denial of deduction claimed u/s 80JJAA amounting to ₹ 7.72. However, the management has submitted necessary application to the authority seeking relief in this matter, based on the facts and circumstances of the case, necessary relief would be granted.

For AY 2020-21, a demand of ₹ 6.82 arose due to disallowance made by assessing officer while passing the assessment vide order dated September 24, 2022 . The Company has preferred an appeal against the said assessment order before the Commissioner of Income Tax (Appeals) and the same is pending. The case is yet to be taken up for hearing and necessary action will be taken as soon as the case is taken up for hearing.

For AY 2015-16 there is a demand of ₹ 0.74. Originally a demand had arisen in pursuance of assessment. The company had gone for appeal against assessment order . The company has paid the taxes of ₹ 0.38 based on computation. An order giving effect to the settlement of dispute under Vivad Se Vishwas and taxes paid is to be passed by the officer.

Goods and services tax :

The Company has received an order from the Office of Commissioner Appeals, GST and Central Tax, demanding a payment of ₹ 4.22 for the period January 2022 to March 2022 vide Appeal No. 01/2023 (MD) DGST/1455 and ▯ 5.29 for the period April 2022 to July 2022 vide Appeal No. 01/2023 (MD) DGST/1455 due to an excess refund claimed. This demand is based on findings related to the improper calculation of the turnover of zero-rated supplies, irregular availment of Input Tax Credit (ITC) on capital goods, and the inclusion of ineligible credit in the Net ITC used to determine the eligible refund amount. The management believes there are valid grounds to contest this order and intends to file an appeal with the GST Tribunal. However, the tribunal has not yet been constituted by the department.

Customs duty:

All of the customs duty notices relate to Advance authorization/ EPCG Authorization licenses granted to the company. These licenses will enable the company to import the goods by claiming upfront exemption from payment of customs duty for Raw materials and Capital equipment's respectively. However, the grant of these licenses stipulate for fulfillment of specified export obligation. While the company has largely met the stipulated export obligation, it is yet to obtain and submit export obligation discharge certificate to the customs authorities. The reason for non submission of this document is attributable to delay in fixation of norms by norms committee. The Company has received intimation from Customs towards payment of duty amounting to ₹ 75.11 (March 31, 2023 : ₹ 86.24). Thus, as soon as the input output norms are finalized the company will furnish the requisite documents to customs authorities asking for the closure of the issue.

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) Capital commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Unexecuted capital orders to the extent not provided for	1,897.71	498.26

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

29 Related party disclosures

(a) Names of related parties and related party relationship

Name of the related party	Nature of relationship
Subsidiary companies	Swastik Coaters Pvt Ltd (upto September 15, 2023)
	Rouland Chemicals Pvt Ltd (upto September 15, 2023)
	Agen Metcast Pvt Ltd (Ceased to be a subsidiary with effect from June 18, 2021)
	Azad Engineering Pte Ltd
Key managerial persons:	Chairman and Chief Executing Officer– Rakesh Chopdar
	Whole Time Director – Jyoti Chopdar
	Whole Time Director - Vishnu Pramodkumar Malpani (w.e.f September 13, 2023)
	Madhusree Vemuru-Non executive & independent director (w.e.f September 12, 2023)
	Michael Joseph Booth-Non executive & independent director (w.e.f September 12, 2023)
	Subba Rao Ambati-Non executive & independent director (w.e.f September 24, 2023)
	Chief Financial Officer - Ronak Jajoo (w.e.f September 14, 2023)
	Company Secretary- Ful Kumar Gautam
Relatives of KMPs	Relatives of KMPs - Kartik Chopdar
	Relatives of KMPs - Satwik Chopdar
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Agen Metcast Private Limited (w.e.f June 18, 2021 till January 06, 2023)
	Swastik Coaters Pvt Ltd (w.e.f September 16, 2023)
	Rouland Chemicals Pvt Ltd (w.e.f September 16, 2023)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
KMPs Remuneration:		
Rakesh Chopdar	43.49	45.90
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	7.20	4.22
Ful Kumar Gautam	1.92	2.22
Ronak Jajoo	5.29	2.15
KMPs Relatives Remuneration:		
Kartik Chopdar	3.90	3.85
Satwik Chopdar	0.52	0.36
Loan taken/(repaid) from/to related parties (Included in long term borrowings)		
Jyoti Chopdar	(3.75)	(2.91)

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

(c) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2024	As at March 31, 2023
Loan from related parties (included in long term borrowings)		
Jyoti Chopdar	-	3.75
Other current financial liabilities (Salaries payable)		
Jyoti Chopdar	-	3.53
Kartik Chopdar	0.22	0.22
Satwik Chopdar	-	0.04
Ful Kumar Gautham	0.01	
Ronak Jajoo	0.36	
Vishnu Pramodkumar Malpani	0.47	
Satwik Chopdar	0.10	
Advances to employees (Included in other current assets)		
Kartik Chopdar	0.15	0.15
Satwik Chopdar	0.10	-
Ful Kumar Gautham	-	1.00
Vishnu Pramodkumar Malpani	-	1.00
Ronak Jajoo	-	1.00

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental Income (Included in other income)		
Atlas Fasteners	-	0.08
Sale of goods or services		
Atlas Fasteners	0.91	0.23
Rental expense:		
Swastik Coaters Pvt Ltd		
Rouland Chemicals Pvt Ltd	0.84	
Financial assets at amortised cost(Included in other income)		
Agen Metcast Private Limited	1.19	-
Purchase of goods or services		
Atlas Fasteners	17.60	8.22
Security deposits (included in non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	-
Job work expense		
Atlas Fasteners*	2.27	-

* Including goods and service tax

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

(e) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at March 31, 2024	As at March 31, 2023
Other non current financial assets		
Forgen Power Parts Private Limited (Security deposits)	2.00	2.00
Other deposits & Advances (Included in other current assets)		-
Agen Metcast Pvt Ltd.	10.49	**9.30**
Trade receivables		
Atlas fasteners	1.42	1.42
Advance to suppliers (Included in other current assets)		
Atlas fasteners	9.38	7.86
Security deposits (included in other non current financial assets)	4.96	-
Swastik Coaters Pvt Ltd	4.96	4.96
Rouland Chemicals Pvt Ltd		
Trade payables		
Swastik Coaters Pvt Ltd	3.85	0.12
Rouland Chemicals Pvt Ltd	0.52	0.12

30 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings		
Profit after tax for the year attributable to equity shareholders	585.80	85.08
Add: Fair value adjustments towards compulsorily convertible debentures*	-	110.55
Profit for the year considered for calculation of diluted earnings per share	585.80	195.63
Shares		
Original number of equity ehares (post share split) #	82,59,130	82,59,130
Add : Impact of bonus issue #	4,12,95,650	4,12,95,650
Add : Equity shares issued during the year	45,80,151	-
Add : Allotment of Equity shares pursuant to conversion of CCD's into Equity	49,78,062	-
No of shares at the end of the year	**5,91,12,993**	**4,95,54,780**
Weighted average number of equity shares		
For calculating Basic EPS	5,22,99,486	4,73,01,690
Effect of dilution:		
- On account of Compulsory Convertible Debentures	-	41,16,449
Weighted average number of equity shares for Diluted EPS	5,22,99,486	5,14,18,139
Earnings Per Share		
Face Value ₹ 2 per share		
Basic (₹)	11.20	1.80
Diluted* (₹)	11.20	1.80

Shareholders have approved the below at Extra-ordinary general meeting held on 12 September, 2023:

* Compulsorily convertible debentures are considered to be potential equity shares. They have not been included in the determination of diluted earnings per share during financial year ended March 31, 2023 as this was anti dilutive.

a. Share split of one equity share having face value of ₹ 10 each into 5 shares of ₹ 2 each and

b. Issue of fully paid bonus shares of ₹ 2 each in proportion of five equity shares for every one existing equity share.

Accordingly, as an adjusting event, the earnings per share has been adjusted for subdivision of shares and bonus shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

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

31 Segment reporting

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, manufacturing high precision and OEM components, have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

a. Geographical segment information:

Revenue from customers	For the year ended March 31, 2024	For the year ended March 31, 2023
With in India	425.89	493.67
Outside India	2,981.82	2,023.08
Total	**3,407.71**	**2,516.75**

b. The company has total segment assets within India. Hence, separate figures have not been furnished

c. Revenue from major customers

During the year the Company has derived revenue from 3 customers (March 31, 2023: 3) totalling to ₹ 1,410.73 (March 31, 2023: ₹ 384.93) which amounts to 10% or more of its total revenue.

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Revenue from customers	For the year ended March 31, 2024	For the year ended March 31, 2023
The amounts remaining unpaid to micro and small supplies as at end of the year		
i) Principal amount remaining unpaid to supplier at the end of the year	208.62	25.34
ii) Interest due thereon remaining unpaid to supplier at the end of the year	4.21	3.04
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	4.21	3.04

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

33 Employee benefits

a) Defined contribution plan

Provident Fund: Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.

b) Defined benefit plan

Gratuity: The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

c) Amounts recognised as expense:

i) Defined contribution plan

Provident fund

Contribution towards employee provident fund, which is a defined contribution plan for the year March 31, 2024 aggregated to ₹ 16.87 (March 31, 2023 : ₹ 14.01).

Employees' State Insurance & Labour welfare fund

Contribution towards Employees' State Insurance & Labour welfare fund, which is a defined contribution plan for the year March 31, 2024 aggregated to ₹ 5.14 (March 31, 2023 : ₹ 4.82).

ii) Defined benefit plan

Contribution towards Gratuity for the year March 31, 2024 aggregated to ₹ 9.29 (March 31, 2023: ₹ 8.52)

d) Amounts recognised in the consolidated financial statements as at year end for Gratuity are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
i) Change in present value of obligation		
Present value of the obligation at the beginning of the year	28.10	24.54
Current service cost	7.35	6.80
Interest cost	1.93	1.72
Actuarial (gain)/loss on obligation- due to change in financial assumptions	0.81	(3.93)
Actuarial (gain)/loss on obligation- due to experience ddjustments	2.78	1.03
Benefits paid	(1.51)	(2.06)
Present value of the obligation at the end of the year	**39.46**	**28.10**
ii) **Bifurcation of present value of benefit obligation**		
Current- Amount due within one year	3.38	2.46
Non-current- Amount due after one year	36.08	25.64
Total	**39.46**	**28.10**
iii) Expected benefit payments in future years		
Year 1	3.38	2.46
Year 2	2.82	1.85
Year 3	3.20	2.16
Year 4	2.77	2.45
Year 5	3.30	2.07
Year 6 to Year 10	15.88	11.77

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

Particulars	As at March 31, 2024	As at March 31, 2023
iv) Sensitivity analysis		
Discount rate - 1 % increase	36.12	25.70
- 1 % decrease	43.36	30.90
Salary escalation rate - 1 % increase	43.23	30.88
- 1 % decrease	36.19	25.69
v) Amounts Recognised in the Statement of Profit and Loss:		
Current service cost	7.35	6.80
Net interest on net defined liability / (asset)	1.94	1.72
Expenses recognised in Statement of Profit and Loss	**9.29**	**8.52**
vii) Recognised in other comprehensive income for the year		
Actuarial Gains / (Losses) on Liability	(3.58)	2.90
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above		-
Recognised in other comprehensive income	**(3.58)**	**2.90**
viii) Actuarial assumptions		
i) Discount rate	7.00%	7.20%
ii) Salary escalation rate	3.50%	3.50%
iii) Retirement age	58 years	58 years
iv) Attrition rate	5%	5%
v) Expected average remaining service	13.27	13.74
vi) Weighted average duration of defined benefit plan	10.77	11.03
v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.

34 Financial instruments

A. Financial instruments by category	Method of valuation	Note	Fair value level	As at March 31, 2024	As at March 31, 2023
Financial assets					
Non current					
-Other financial assets	Amortized Cost	5	Level 2	246.92	33.72
Current					
(i) Trade receivables	Amortized Cost	8	Level 2	1,699.53	1,186.63
(ii) Cash and cash equivalents	Amortized Cost	9(a)	Level 2	281.86	194.06
(iii) Bank balances other than (ii) above	Amortized Cost	9(b)	Level 2	307.32	333.27
(iv) Other financial assets	Amortized Cost	5	Level 2	-	0.91
Total financial assets				**2,535.63**	**1,748.59**
Financial liabilities					
Non current					
(i) Borrowings	Amortized Cost	13	Level 2	271.13	2,208.61
(ia) Lease liabilities	Amortized Cost	3(b)	Level 2	20.05	-
Current					
(i) Borrowings	Amortized Cost	16	Level 2	100.44	797.40
(ia) Lease liabilities	Amortized Cost	3(b)	Level 2	2.71	-
(ii) Trade payables	Amortized Cost	15	Level 2	499.54	495.01
(iv) Other financial liabilities	Amortized Cost	18	Level 2	118.63	123.36
Total financial liabilities				**1,012.50**	

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

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

The Company risk management is carried out by the senior management under policies approved by the board of directors. The board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

ii. Trade receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from top customer	554.38	829.56
Revenue from top 5 customers (other than above customer)	1,536.28	758.65

One customer accounted for more than 16.35% of the revenue for the year ended March 31, 2024. One customer accounted for more than 33.01 % of the revenue for the year March 31, 2023.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for group of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Movement in the allowance for bad and doubtful debts is as follows:

	As at March 31, 2024	As at March 31, 2023
Opening balance	15.00	10.25
Credit loss added	21.39	4.75
Closing balance	36.39	15.00

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

B. Liquidity risk

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

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at March 31, 2024

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	271.13	-	271.13	-	271.13
Lease liabilities	22.76	2.96	13.41	18.17	34.54
Short-term borrowings	100.44	100.44	-	-	100.44
Trade payables	499.54	499.54	-	-	499.54
Other financial liabilities	118.63	118.63	-	-	118.63
Total	**1012.50**	**721.57**	**284.54**	**18.17**	**1,024.28**

As at March 31, 2023

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	2,208.61	-	608.61	1,600.00	2,208.61
Short-term borrowings	797.40	797.40	-	-	797.40
Trade payables	495.01	495.01	-	-	495.01
Other financial liabilities	123.36	123.36	-	-	123.36
Total	**3,624.38**	**1,415.77**	**608.61**	**1,600.00**	**3,624.38**

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	307.33	1,328.87
Fixed rate borrowings	64.24	1,671.32

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2023	As at March 31, 2023
Sensitivity		
1% increase in variable rate	(3.07)	(13.29)
1% decrease in variable rate	3.07	13.29

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

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

The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Amount in USD	Equivalent amount in INR for USD	Amount in EURO	Equivalent amount in INR for EURO	Amount in Others	Equivalent amount in INR for JPY
March 31, 2024						
Trade receivable	3.72	323.47	12.64	1,051.79	-	-
Trade payable	0.34	28.22	0.10	8.75	0.01	1.12
Advance from Customers	0.66	54.74	0.09	8.51		
March 31, 2023						
Trade receivable	9.26	760.32	1.70	151.99	-	-
Trade payable	0.15	12.59	-	-	0.00	0.02
Borrowings	11.73	963.19	-	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material. The effect of a 5% strengthening or weakening of the respective currencies on the profit and loss account is demonstrated in the following table.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2024					
	USD	17.50	(17.50)	13.10	(13.10)
	EURO	52.58	(52.58)	39.34	(39.34)
	JPY	(0.06)	0.06	(0.04)	0.04
March 31, 2023					
	USD	(10.77)	10.77	(7.64)	7.64
	EURO	7.60	(7.60)	5.39	(5.39)
	JPY	(0.00)	0.00	(0.00)	0.00

35 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Compulsory Convertible Debentures and current borrowing from banks and financial institutions. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at March 31, 2024	As at March 31, 2023
Total debt (refer note 13 and 14)	371.57	3,006.01
Less : cash and cash equivalents and bank balances	589.18	527.33
Adjusted net debt	(217.61)	**2,478.68**
Total equity	**6,450.63**	**2,039.88**
Gearing ratio	**(0.03)**	**0.55**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year March 31, 2024 and March 31, 2023.

36 Income-taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2024	For the year ended March 31, 2023
Tax expense recognised in the Statement of Profit and Loss			
A.	**Current tax**		
	Current year	146.21	25.74
	Tax pertaining to earlier years	-	2.42
	Total (A)	**146.21**	**28.16**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	75.85	18.70
	Total (B)	**75.85**	**18.70**
	Total (A+B)	**222.06**	**46.86**
C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	1.04	(0.84)
		1.04	**(0.84)**

Current tax (assets) / liabilities (net)

		As at March 31, 2024	As at March 31, 2023
D.	Advance tax Including TDS receivable and Self assessment tax paid	(146.24)	(126.55)
E.	Provision for tax	174.16	151.48
		27.92	**24.93**

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income taxes	807.86	131.94
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	235.00	38.00
Tax effect of expenditure disallowed under income tax	5.67	9.18
Effect on account of different tax rate for calculating capital Gain	(17.53)	-
Others	(1.08)	(0.32)
Total income tax expense	**222.06**	**46.86**

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

Movement during the period ended March 31, 2024	As at April 1, 2023	Credit/(charge) in the Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2024
Deferred tax assets/(liabilities)				
On property, plant and equipment	203.25	44.31	-	247.56
On provision for employee benefits	(9.00)	(1.54)	(1.04)	(11.58)
Provision for doubtful receiables	(4.37)	(6.23)	-	(10.60)
Borrowings	(11.22)	11.77	-	0.55
Right of use assets (net of lease liability)	-	1.33	-	1.33
MAT Credit Entitlement	(25.74)	9.16	-	(16.58)
On unabsorbed depreciation and business losses	(16.71)	16.71	-	-
Provision for others	(0.34)	0.34	-	-
Total	**135.87**	**75.85**	**(1.04)**	**210.68**

Movement during the period ended March 31, 2023	As at April 1, 2022	(Credit)/charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2023
Deferred tax (assets)/liabilities				
On property, plant and equipment	129.22	74.03	-	203.25
On provision for employee benefits	(8.82)	(1.02)	0.84	(9.00)
Provision for doubtful receivables	(2.98)	(1.39)	-	(4.37)
Borrowings	(0.75)	(10.47)	-	(11.22)
MAT Credit Entitlement	-	(25.74)	-	(25.74)
On unabsorbed depreciation and business losses	-	(16.71)	-	(16.71)
Provision for others	(0.34)	-	-	(0.34)
Total	**116.33**	**18.70**	**0.84**	**135.87**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

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

37 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from sale of products	2,686.82	1,478.89
Income from sale of services	594.40	937.26
Income from - scrap sales	105.89	96.90
Export incentives	20.60	3.70
	3,407.71	**2,516.75**

Disaggregated revenue information

Geographic revenue		
Revenue from contract with customers		
With in India	425.89	493.67
Outside India	2981.82	2023.08
	3,407.71	**2516.75**

Timing of revenue recognition

Services transferred at a point of time	615.00	940.96
Goods transferred at a point of time	2,792.71	1,575.79
Total revenue from contracts with customers	**3,407.71**	**2,516.75**

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

Contract price	3,407.71	2,516.75
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**3,407.71**	**2,516.75**

Movement in Contract assets during the year

Trade receivables (refer note 8)	**-**	**-**
Opening balance	1,201.63	756.56
Revenue recognised that was included in the contract liability balance at the beginning of the year	3,387.11	2,513.05
Amount received during the year	2,852.82	2,067.98
Closing balance	1,735.92	1,201.63

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of Job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

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

38 Income-taxes

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

39 Subsequent events

The Company incorporated a fully owned subsidiary named Azad VTC Private Limited in March 2024. Subsequently, the Company invested ₹ 0.1 in the subsidiary Azad VTC Private Limited ("Azad VTC") entered into a asset purchase agreement with VTC Surface Technologies Private Limited, for the purchase of certain assets related to offering advanced wear, corrosion and heat resistant coatings. These coatings are a critical application on the components which operate in extremely severe conditions for power generation, aerospace & defence and oil & Gas.

The acquisition is expected to compliment and enhance the business of the Company, offering complete turnkey surface coating solutions for its OEM customers. This acquisition is also expected reduce its dependency on approved third party companies for surface coatings and eventually lead to more opportunities & margin expansion in the long-term.

40 Utilisation of funds raised through initial public offer (IPO)

Rs. 2,227.49 Mn have been received in the Escrow account (net off estimated offer expenses ₹ 172.51 Mn) from proceeds of fresh issue of equity shares. Full amount of ₹ 2,227.49 Mn have been transferred to the company's account. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne / to be borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

Object of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up March 31, 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 will be utilised by the company for repayment of the balance debts.

**The Company has utilised ₹ 420.00 towards General Corporate Purpose as against the amount of ₹ 241.66 as estimated and stated in the prospectus. The excess utilisation of ₹ 178.34 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.

41 Statutory disclosures

(a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(b) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(c) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(d) The Group have not traded or invested in Crypto currency or Virtual currency during the financial year.

(e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

(h) The Group does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.

(k) There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

(l) The Group has neither declared nor paid any dividend during the reporting period

(m) The title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group except for building constructed on the lease hold land as disclosed in note 3(a) and 3(b) in the Consolidated financial statements.

(n) The Group has not revalued its property, plant and equipment during the Financial year 2023-24

42 Note on Social Security Code:

The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: May 21, 2024

For and on behalf of the Board of Directors of
Azad Engineering Limited (Formerly Azad Engineering Private Limited)

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Jyoti Chopdar
Whole time Director
DIN : 03132157

Ronak Jajoo
Chief Financial Officer

Ful Kumar Gautam
Company Secretary
M No: A49550

Place: Hyderabad
Date: May 21, 2024

Place: Hyderabad
Date: May 21, 2024

AZAD

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