AZAD

POWERING ENGINES WORLDWIDE

ANNUAL REPORT
2025-26

AZAD: POWERING ENGINES WORLDWIDE

It all began in Hyderabad, in just 200 sq. m of rented floor,
with one man behind one machine, driven by his childhood hunger to do more.
He fell in love with this intricate work, the work which takes years to learn –
and made a promise, which he and AZAD still keep:
nothing will ever leave our hands until it's right,
however long that takes to achieve.

We began with one part: the compressor airfoil -
three-dimensional, curved along every axis, extremely critical,
turning unseen in the power stations that light our factories and rooms,
in the rigs that pull oil from under the ground,
and in the jets that keep our borders sound.
Slowly, one part became many,
and many became a whole system -
each earned alone, each taking years,
until 2026, when we sent out not a part, but an engine.

Come, let us see a place where our components are placed,
An aircraft waiting at the gate,
its engines beneath its wings, past the wide fan at the front,
deeper in, beyond what the eye can follow,
that is one place where our parts can be met.
Each made to tolerances measured in microns,
each checked over, then verified and even reverified,
so that every part that leaves our floor leaves just right;
led by our Chairman's promise, whether at noon or in the night.

Qualifying took years: a sample, an audit, another sample sent,
for the strict approval of customers whose standards cannot bend.
That patience built what stands before us today -
one workshop grown into a campus, a Centre of Excellence,
a line for every customer in the trade;
run by many hands, where there was once only one,
all powered by the founding passion that our Chairman made
back in 2008.

Each day, at AZAD, we do not wait to be told what must be done -
we value this work too much for that:
whatever is coming next, our work has already begun.

CONTENT

CHAIRMAN'S MESSAGE

THE PROMISE, THE PASSION, AND THE CAPABILITY TO DELIVER.

Dear Shareholders,

Each year, this letter gives me a reason to step back from the daily press of the business and ask what we have achieved in the twelve months past. For FY 2025-26, the answer is unusually clear. We qualified more of the components we make. We added more customers to make them for. And we changed how much we can deliver, and how we are prepared to deliver it.

When I wrote to you a year ago, I described this work as both a privilege and a responsibility - the privilege of being trusted with components that are mission- and life-critical, on which lives and billion-dollar platforms depend, and the responsibility that such trust creates.

In FY 2025-26, that responsibility asked something specific of us.

In our industry, onboarding a customer is one thing - but earning qualifications and then delivering on commitments is another. Trust is earned through years of qualifications and audits that come before the first shipment is even sent out from our shop floor.

FY 2025-26 was the year we built the readiness to deliver on those commitments. Four dedicated factories are now commissioned - three by March 31, 2026 and the fourth, for Baker Hughes, in April 2026 - the CNC machines that fill them are largely in place, and the recruitment and training of the people to run them are well under way. While building this readiness, we also strengthened our order book, delivered consistent growth and met customer expectations throughout the year.

Paving the Path for the Future

FY 2025-26 saw us turning customer contracts and the capital raised through QIP into qualified capacity, ramping up ongoing programmes, gaining wallet share and growing across every customer engagement. Together, these give us a roadmap for long-term growth and value-creation for our stakeholders.

At the start of the year, we told the public market plainly that this would be a year of consolidation - a year to embed newly commissioned capacity, turn years of hard-won technical approvals and qualifications into live production, and build the people and systems our next phase demands. We delivered on every part of it, and posted record revenue and profit while doing so.

We make highly engineered three dimensional precision components that are mission- and life-critical in nature, and are used in the sectors of Energy, Aerospace & Defence and Oil & Gas. These operate in machines that run at the outer limits of temperature, pressure and tolerance. Across these sectors, AZAD is amongst the handful of companies globally qualified to make them, a position that took years of qualification to reach.

Growth, and What Produced It

We built, and we grew. On a standalone basis, revenue from operations reached ₹5,903.8 million, a rise of 30.3% over FY 2024-25, at an EBITDA margin of 36.9%. Profit after tax grew 49.3% to ₹1,321.6 million.

Profit growth outpaced revenue - the result of operating discipline, firm pricing across long-term contracts, a change in component mix, and the benefits of synergies achieved through backward integration and a more indigenised supply chain. Part of that growth also came from other income - ₹475.3 million, principally foreign-exchange gains and treasury income on the QIP proceeds - and I would rather say so plainly than let it flatter the operating story.

All of AZAD's verticals grew this year, as we intended. Energy and Oil & Gas, the vertical we were built on, contributed ₹4,811.3 million and grew 34.2%. Aerospace & Defence delivered ₹1,012.6 million, growing 25.4% and crossing ₹1,000 million for the first time in our history. Revenue depicted in the financial statements also includes 'Other Operating Revenue', amounting to ₹79.9 million, which includes export incentives and scrap sales. Exports accounted for almost 93% of revenue, sold into the same global platforms contested by suppliers from across the world - the United States, European countries, China and Japan among them.

Our order book stood at approximately ₹65,000 million as at March 31, 2026, about 11 times the revenue we have just delivered. It gives us rare revenue visibility across every customer engagement for several years ahead, and it is against this visibility that we are building capacity.

Building Dedicated Capacity for Global OEMs

FY 2025-26's focus was expanding capacity, and since listing we have inaugurated four dedicated lean manufacturing facilities for our marquee global customers. The first, for Mitsubishi Heavy Industries, opened in March 2025; two - for GE Vernova and Siemens Energy - were commissioned during FY 2025-26; and the most recent, for Baker Hughes, opened in April 2026, shortly after the close of the year. Today, we run such facilities for GE Vernova, Siemens Energy, Mitsubishi Heavy Industries and Baker Hughes. AZAD has always been a strategic partner to its customers, and these dedicated factories formalise that position.

During the year, we capitalised assets worth ₹3,920.2 million and held a further ₹1,921.9 million in capital work-in-progress and advances, funded substantially through our QIP proceeds. Phase 1 of our expansion is progressing as per schedule, with four manufacturing facilities already operational and the rest should be closed by FY 2026-27. This expansion would create an incremental capacity of ~95,000 sq.m.

Qualified capacity requires capital to be committed on two counts - one in plant, machinery and infrastructure, and another in working capital. Qualification is the reason: for example, to qualify five components, we have to buy hundreds of castings, and they sit in inventory until the approval clears. Our cash conversion cycle is the slowest-moving number in the Company, and I will not present it as anything else. Working capital days stood at 244 at year end, where it was at 202 a year earlier. Normalising it is the principal operational task of FY 2026-27, and a fair measure to hold us to.

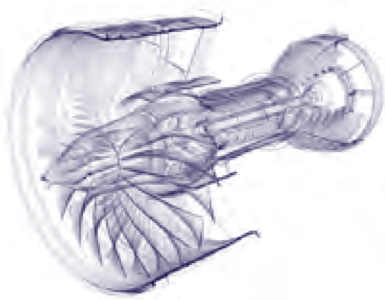
Constructing new world-class factories while running existing ones, installing high-precision CNC machines at scale, clearing audits and re-validations on new floors, hiring and training at record pace, and meeting customer expectations throughout - this was the most demanding stretch in our history.

The build-out is now roughly 70% to 80% complete, and our attention turns from construction to conversion.

New Frontiers, Expanding TAM, Greater Capacity

In FY 2025-26, Mitsubishi Heavy Industries, Japan, named AZAD a single-source supplier partner under an eight-year long-term contract and price agreement for highly engineered hot section nozzle vane segments for gas turbine engines. Single-sourcing hot section components is the most consequential decision an OEM of MHI's standing can make about a supplier. It also marks a deliberate step up the value chain. For most of our history, we have made critical cold section components; the hot section, where temperature, metallurgy and process control are even less forgiving, is a harder and more valuable class of work that only a handful of manufacturers worldwide have mastered. Entering it widens what we can offer every turbine customer we serve.

In aerospace, three significant aero-engine OEMs are now engaged with us - Rolls-Royce and Pratt & Whitney Canada under long-term contracts, and Safran Aircraft Engines under a Memorandum of Understanding - and we are qualifying critical rotating components with them.



In nuclear, having met the entry standards of EDF and Arabelle Solutions of France, we remain one of the few producers of nuclear turbine airfoils in India - a position we expect to be of strategic value.

We also brought more special processes in house, adding Nadcap accreditation for coatings and for heat treatment, and both subsidiaries acquired in recent years reached EBITDA breakeven.

A decade ago, none of these doors were open to us. Today, with years of hard work and demonstrated capabilities, we have built the keys to them one proven delivery at a time.

An Engine for the Nation

One programme of the year carries a significance beyond its commercial value. With GTRE, DRDO, we took on the manufacture and assembly of India's first indigenous expendable turbojet engine in the 350 kg thrust class - designed by GTRE, built and assembled at AZAD. On July 22, 2026, shortly after the year closed, we delivered it.

For AZAD, this is a significant threshold. We began as a maker of critical components across the sectors we serve. With this engine, we have, for the first time, built and assembled a complete propulsion system. Moving from a component to a complete engine calls for systems engineering, integration discipline and a customer willing to entrust the work to us. Crossing that line changes what AZAD can be asked to do next.

The Company Behind the Capacity

Not all of FY 2025-26's work appears in a set of accounts. We began deliberately reshaping the organisation for the scale we are growing into, bringing in senior leaders with deep functional and sectoral experience, and upgrading the systems beneath them - planning, ERP, shop-floor execution, quality management and governance. We also built the ability to hire and train at the pace the new plants require, with our own training centre preparing a new recruit for the shop floor in under 90 days.

A business like ours must grow on several fronts at once - customers, capabilities, capacity, contracts and deployable capital. AZAD has been developing all of them against revenue visibility, and in a manner that sustains our margins. Alongside this, we continue to hold ourselves to account on how we grow, not only how fast: on safety, on environmental performance, on the development of our people, and on the communities that live alongside our plants.

FY 2026-27: The Year of Conversion

In FY 2024-25, we earned the trust.

In FY 2025-26, we built the infrastructure to honour it.

FY 2026-27 is the year we convert both into qualified capacity and growth.

Demand is not our constraint - global OEMs across aerospace, defence, energy and oil and gas are expanding their platforms, and the pool of suppliers able to work at our technical threshold remains very small.

This year, AZAD achieved a necessary alignment: our capacity is now largely in place, our approvals are advancing across every sector and customer, and our delivery schedules are firm. On that footing we remain confident of sustained revenue growth, not for one year but on a multi-year basis, while holding a healthy margin profile.

In FY 2026-27, we will ramp our four capitalised plants to their committed throughput, commission the remaining facilities with the same discipline, deepen the customer relationships we already hold, and normalise our working capital cycle. Operating leverage will become steadily more visible as utilisation climbs through FY 2026-27 and towards full utilisation in FY 2027-28.

My thanks go to our shareholders, who backed the long view; to our customers, who trust us with work that cannot fail; to our bankers, suppliers and partners for their steadiness through a demanding year, and to our auditors and regulators for their rigour; and to every member of Team AZAD, who carried this year on the shop floor, in the training halls and on the construction sites.

The foundation is in place. Building on it is the work of the years ahead.

Sincerely,

Rakesh Chopdar

Chairman & Chief Executive Officer

AZAD Engineering Limited

ABOUT US

Headquartered in Hyderabad, AZAD began operations in 2008 under the leadership of Mr. Rakesh Chopdar. We manufacture highly engineered, mission- and life-critical components that power engines across the sectors of Energy and Oil & Gas, and Aerospace & Defence.

Our components operate under conditions that leave no margin for error. A defect is not a mere rejection; it is a failure whose cost far exceeds the value of the component and which, in many applications, would be measured in human lives.

Exports have always held a major portion of our sales, and we supply to customers in 11+ countries. Our customers are global OEMs, including GE Vernova, Mitsubishi Heavy Industries, Siemens Energy, Baker Hughes, Honeywell Aerospace, Rolls-Royce, Pratt & Whitney Canada, Boeing, Eaton Aerospace and Arabelle Solutions. Additionally, AZAD is one of the few qualified manufacturers of nuclear turbine airfoils in India.

AZAD's journey began on a 200 sq. m shop floor, with one machine operated by our Founder-Chairman. Today we have grown many-fold: a workforce of more than 2,500 operates across five manufacturing facilities in Telangana, and we are now capable of delivering a complete engine end-to-end.

From a component supplier, AZAD has moved up the value chain and now serves complete propulsion programmes as well.

REVENUE FROM OPERATIONS

₹5,903.8 million

+30.3% YoY

PROFIT AFTER TAX

₹1,321.6 million

+49.3% YoY

ORDER BOOK

₹65,000 million

~11x FY 2025-26 revenue (as at March 31, 2026)

EXPORTS

~93% of revenue

from 91.9% in FY 2024-25

Customer Journey and the Criticality of the Supply Chain

Global OEMs assess a supplier on safety, quality and delivery before they assess cost, a sequence the industry refers to as SQDC. A manufacturer that does not clear the first three is not evaluated on the fourth. Safety must be demonstrated in day-to-day operations, quality is held to tolerances measured in single-digit microns, and delivery means the committed quantity, in full, on the committed date.

Clearing these standards takes years - before the first component is shipped, the customer must satisfy itself that we can manufacture them to the same standard every time, a process that runs across repeated audit, validation and inspection cycles. It is demanding for both parties and it is not undertaken lightly. What it produces is a business built on long-dated relationships: contracts measured in several years, revenue visibility years ahead, and a position that price alone does not displace.

The Dedicated Facility Model

AZAD's new facilities are built on the dedicated lean manufacturing model, which is the deepest form of integration a supplier and an OEM can establish. The customer participates in the preparation, well before manufacturing begins, and is involved in every aspect of the production plan and all the decisions that follow. Teams are trained and reserved for their programmes, equipment is specified to their component numbers, and each facility carries a customer office on site, the keys to which are held by the customer.

Dedicated does not mean stranded: while equipment is specified to the customer's component numbers, the underlying machine platforms, processes and skills are transferable, so capability built for one programme can be redeployed to another should volumes shift. In daily operations, a dedicated facility functions as an extension of the customer's own manufacturing system, with production schedules, capacity planning and qualification road maps agreed jointly and set years in advance. Three such facilities were operational as at March 31, 2026, and a fourth, for Baker Hughes, was inaugurated in April 2026.

Capability Enhancement: Moving up the Value Chain

The manufacture of components for a jet engine and the manufacture of the engine itself are separated by a considerable distance in capability, and few manufacturers globally have covered it. Working with the Gas Turbine Research Establishment, DRDO, AZAD manufactured and assembled India's first indigenous expendable turbojet engine in the 350 kg thrust class, designed by GTRE and built at our facilities. It was delivered to GTRE on July 22, 2026, shortly after the year closed. The programme establishes a capability that extends beyond any single component category.

Taken together, these describe a single position rather than standalone achievements. Qualification determines the work AZAD is permitted to do, the dedicated facility model determines how closely that work is done with the customer, and the engine programme marks how far the capability now reaches. Each was established over a period of years and none of it can be acquired quickly. For the OEMs we serve, it is the assurance that components they cannot afford to have fail will be delivered to specification, for as long as their programmes remain in production. And behind that assurance is what AZAD was built to do: to change what the world assumes an Indian manufacturer can be trusted to make.

OUR FOOTPRINT

AZAD has been an export-led business since its inception. Exports accounted for approximately 93% of revenue in FY 2025-26, up from 91.9% in FY 2024-25. The customer base spans across more than eleven countries, including the United States, Japan, Singapore, the United Arab Emirates and markets across Europe, including the United Kingdom, France, Germany, Switzerland, Poland, Hungary and Italy. Key customer relationships now exceed ten years, and AZAD's share of these customers' spend remains in the region of 1% to 1.50% - the clearest measure of the headroom ahead.

The entire manufacturing footprint is deliberately concentrated in and around Hyderabad, Telangana. Design, qualification and production operate within a cluster, allowing rapid response, shared quality infrastructure and coordination across programmes without distance between them.

Capacity now being commissioned follows a dedicated-facility model: individual plants built for a single customer, with equipment, teams and workspace configured to that customer's programmes. As at March 31, 2026, three dedicated facilities had been inaugurated, with a fourth following in April 2026, while the feeder forging plant was partially operational.

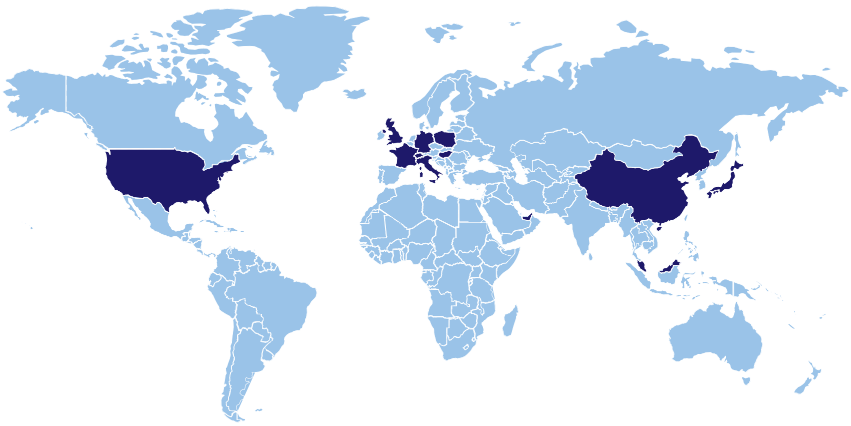
> The customer base spans the globe. The manufacturing base stays in one place.

Manufacturing footprint

FACILITY CATEGORY	AREA (SQ. M)	CUSTOMERS
Existing base facilities	~20,000	Multiple customers; fungible capacity
Phase 1 expansion	~95,000	Dedicated customer facilities
Phase 2 expansion	~67,000	Fungible capacity

Customer recognition

CUSTOMER	RECOGNITION	YEAR
Baker Hughes	Growth Collaboration Award awarded at the IET Supplier Conference held to celebrate the power of collaboration in shaping the future of the global energy ecosystem.	2026
GE Vernova	Delivery Partnership Award	2026
Siemens Energy	Strategic Partner Award for demonstrating extraordinary collaboration and commitment	2025
Mitsubishi Heavy Industries	Certificate of Appreciation for outstanding efforts in ensuring on-time delivery amid significant fluctuations during FY 2023-24.	2025
Mitsubishi Heavy Industries	Global “2024 Partner of the Year” - an exclusive recognition among MHI’s global network of more than 1,000 suppliers	2024
Godrej Aerospace	“Making India Atmanirbhar” — for being one of the most reliable partners	2022
Tata Lockheed Martin Aerostructures	Certificate of Appreciation for Industrialising the Fighter Wing	2021
General Electric Gas Power	Outstanding Commitment in Driving Commercial Competitiveness, MENASA Partnership Summit	2020
Engineering Exports Promotion Council India	Star Performer, Large Enterprise (Engines, Turbines & Parts), Southern Region	2020
General Electric	Operational Excellence	2019



Our Global Footprint

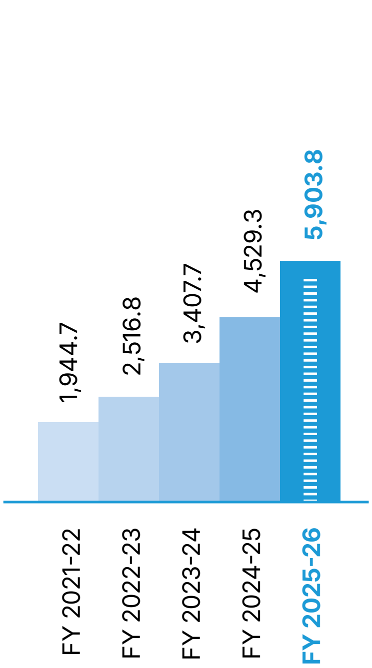
United States of America	United Kingdom	Switzerland
Japan	China	Poland
Singapore	France	Hungary
United Arab Emirates	Germany	Italy

KEY PERFORMANCE INDICATORS

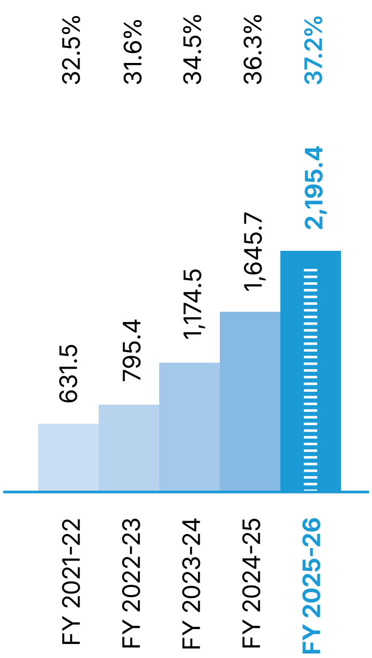
The indicators on this page show what qualification-led capability looks like when it converts into revenue: record sales and profit, a widening margin, an order book of about eleven times annual revenue, and an expansion funded largely from equity raised for the purpose.

AZAD closed FY 2025-26 with its highest-ever revenue, EBITDA and profit after tax, delivered while carrying out the largest capacity build-out the Company has undertaken. The fourth quarter of this Financial Year was the strongest in the Company's history at ₹1,573.9 million, and nine-month profit after tax had already exceeded the full year FY 2024-25.

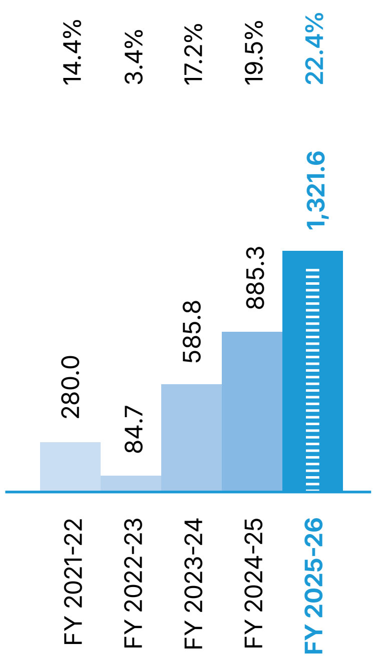
Revenue from Operations
(₹ Mn)



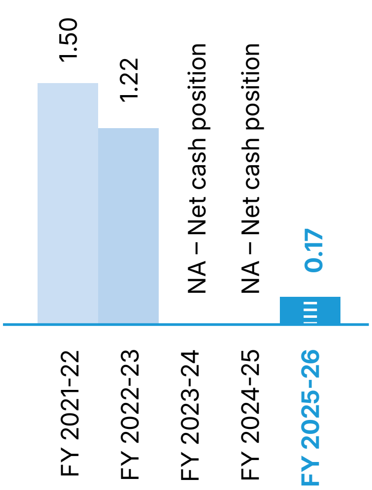
EBITDA* & EBITDA Margin
(₹ Mn) (%)



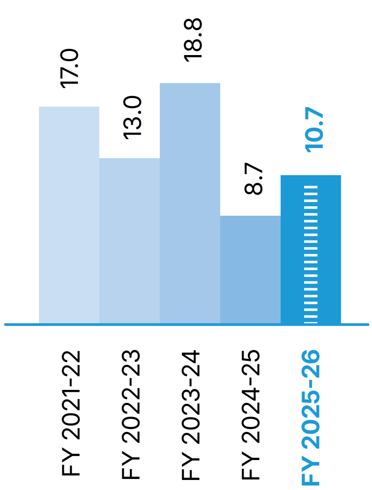
PAT & PAT Margin
(₹ Mn) (%)



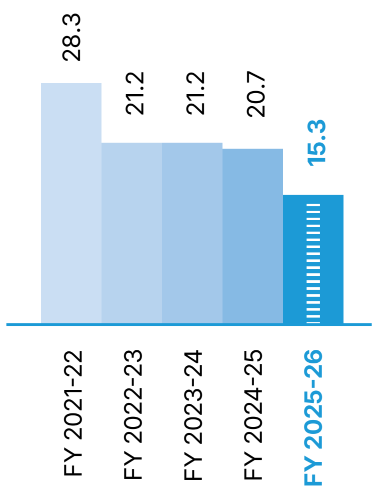
Net Debt : Equity
(X)



ROCE
(%)



Adjusted ROCE
(%)



* Notes: Amounts are rounded off; Adjusted EBITDA is calculated as EBITDA plus fire incident, fire restoration cost, fire insurance - premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss; Adjusted ROCE % = Adjusted EBIT / Adjusted average capital employed (Excluding CWIP, Advances towards CAPEX, Cash and Bank Postition) Margins are calculated as a percentage of revenue from operations

HIGHLIGHTS OF FY 2025-26

FY 2025-26 was the year AZAD converted years of qualification into a substantial change in scale. The Company delivered its best-ever financial performance while executing the largest capacity expansion in its history, deepening its major global OEM relationships and taking India's first indigenous jet-engine programme to the point of delivery.

REVENUE GROWTH

+30.3%

EBITDA MARGIN

36.9%

PAT GROWTH

+49.3%

ORDER BOOK (₹)

65,000 million

Strong order wins

AZAD closed FY 2025-26 with an order book of approximately ₹65,000 million - approximately 11 times FY 2025-26 revenue - not only providing multi-year visibility, but also reflecting its increasingly strategic role in global supply chains of the critical sectors it caters to. During the year, AZAD signed some of the most significant contracts in its history.

- **GE Steam Power GmbH** - AZAD signed a Long-Term Supply Agreement with GE Steam Power GmbH, acting through its GE Vernova Power business in Switzerland, for highly engineered rotating and stationary airfoils for nuclear, industrial and thermal power applications, supporting global demand under a contract valued at approximately USD 53.5 million.
- **Mitsubishi Heavy Industries** - Phase 2 of the rotating and stationary airfoil contract was signed during FY 2025-26, taking the combined value of the Phase 1 and Phase 2 contracts to ₹13,870 million over a five-year execution period. Separately, in March 2026, AZAD signed an eight-year Long Term Contract and Price Agreement with MHI as a single-source supplier partner for hot-section nozzle-vane segments used in gas turbine engines.
- **Safran Aircraft Engines** - A Memorandum of Understanding was signed, marking AZAD's first collaboration with Safran and setting the framework for developing critical rotating engine components for strategic defence platforms.
- **Pratt & Whitney** - A new contract was finalised for aero-engine precision components, adding one of the world's largest engine manufacturers to AZAD's active customer roster.
- **Baker Hughes** - In May 2025, AZAD signed an amendment to its Strategic Supply Agreement with Nuovo Pignone S.r.l., a Baker Hughes company, originally executed in March 2024, extending the arrangement through 2030. The amendment was driven by a significant increase in annual demand for critical components supplied by AZAD for power generation applications, further deepening the Company's long-term partnership with a key global OEM.

New facilities

AZAD added two customer-dedicated lean manufacturing facilities at its mega-campus in Tuniki Bollaram during FY 2025-26, taking the total inaugurated as at March 31, 2026 to three. A fourth facility, for Baker Hughes, followed in April 2026, shortly after the close of FY 2025-26.

- **GE Vernova Steam Power Services facility** - inaugurated on April 29, 2025, this facility supports the supply of highly engineered and complex rotating and stationary airfoils for advanced nuclear, industrial and thermal power turbine engines.
- **Siemens Energy facility** - inaugurated on September 18, 2025, this facility supports complex rotating and stationary airfoils and critical components for advanced gas, industrial and thermal turbine engines.
- **Baker Hughes facility** - inaugurated in April 2026, shortly after the close of FY 2025-26, this is AZAD's fourth dedicated facility and its first in the Oil & Gas vertical.

These join the Mitsubishi Heavy Industries facility commissioned in March 2025. Together, they sit within AZAD's Phase 1 expansion of approximately 95,000 sq. m, which was around 70% to 80% complete at end of the Financial Year. The remaining of the planned units dedicated to customers are scheduled to be commissioned in FY 2026-27.

The frontier of indigenous capability

Gas Turbine Research Establishment, a laboratory under the Defence Research and Development Organisation, designed India's first indigenous expendable turbojet engine in the 350 kg thrust class. AZAD was selected as its sole industry partner, and was responsible for manufacturing and assembling the engine.

Recognition

- AZAD's subsidiary, AZAD VTC Private Limited, further strengthened its advanced surface engineering portfolio by achieving Nadcap accreditation for aerospace coatings, validating its capability across specialized coating technologies and establishing a distinct, high-value aerospace revenue stream for the Group.
- AZAD remained one of the few qualified producers of nuclear turbine airfoils in India, accredited by Arabelle Solutions of the EDF group of France.

BUSINESS VERTICALS

AZAD Engineering serves three sectors - Energy, Aerospace & Defence, and Oil & Gas - and reports under two segments: Aerospace & Defence, and Energy and Oil & Gas. A small residual 'Others' category (₹79.9 million in FY 2025-26) is reported separately and includes export incentives and scrap sales. We began our operations in Energy in 2008, earning our qualifications for various processes and components, one at a time. Simultaneously, we built the engineering discipline, the process control, the metallurgical understanding and the audit readiness that mission- and life-critical component demand. When we entered aerospace & defence, we brought a decade of experience of energy qualifications with us - the processes, the metallurgy, complexity of manufacturing and the audit record those programmes demand. That is why we are progressing through their qualification cycles faster than a new entrant could.

In the critical sectors that we serve, a supplier has to go through a rigorous journey of qualification cycles that run for years and are exacting, making them some of the highest entry barriers any supplier has to go through and also becomes one of the strongest moats that differentiate critical suppliers globally. Global OEMs put us through process validation, metallurgical proof, dimensional verification, first article inspection and serial production audit before they place a single purchase order for production ramp-up.

Today we compete for these critical components in the global supply chain of these OEMs and the competition mainly arises out of Europe, the United States, China and Japan, among others - and still account for only a small share of what these OEMs spend on the component categories we produce. We contract with their global procurement offices, and in FY 2025-26 exports accounted for approximately 93% of our revenue.

Our historically low single-digit wallet share with these OEMs reflected our capacity, not our capability. With Phase 1 of the expansion well under way, we expect that share to rise on the back of the firm order book and the new dedicated OEM manufacturing facilities.

FINANCIAL PERFORMANCE

We delivered record revenue, EBITDA and profit after tax in FY 2025-26, all while carrying out the largest expansion process in our history - by commissioning two further dedicated customer facilities (Siemens Energy and GE Vernova) - bringing the number operational to three by year end, with a fourth inaugurated in April 2026 - and qualifying more critical components and processes.

Consolidated Financial Performance

REVENUE FROM OPERATIONS (FY 2025-26)	REPORTED EBITDA MARGIN (FY 2025-26)	PROFIT AFTER TAX (FY 2025-26)
₹6,029.8 million	37.4%	₹1,335.6 million
▲ 31.8% YoY	▲ 210 bps YoY	▲ 54.3% YoY

Standalone Financial Performance

(₹ Million)

Particulars	FY 2025-26	FY 2024-25	Growth
Revenue from operations	5,903.8	4,529.3	30.3%
Energy and Oil & Gas	4,811.3	3,586.3	34.2%
Aerospace & Defence	1,012.6	807.4	25.4%
Others	79.9	135.6	-
Reported EBITDA margin	36.9%	35.5%	-
Profit after tax	1,321.6	885.2	49.3%
Exports as % of revenue	93%	91.9%	-

We report segment performance on a standalone basis. Other income of ₹475.3 million comprises principally comprises principally foreign exchange gains and treasury income. Order book is as at March 31, 2026 and is a management estimate of contracted and committed work; it is not audited.

We closed the year with an order book of approximately ₹65,000 million, a little under eleven times consolidated revenue, after executing ₹6,029.8 million during FY 2025-26. Energy accounts for roughly 57% of this book, Aerospace & Defence about 29% and Oil & Gas about 14%. With OEM contracts across sectors averaging five to six years in tenure, capacity additions are planned by contracted volumes rather than industry demand projections.

ENERGY

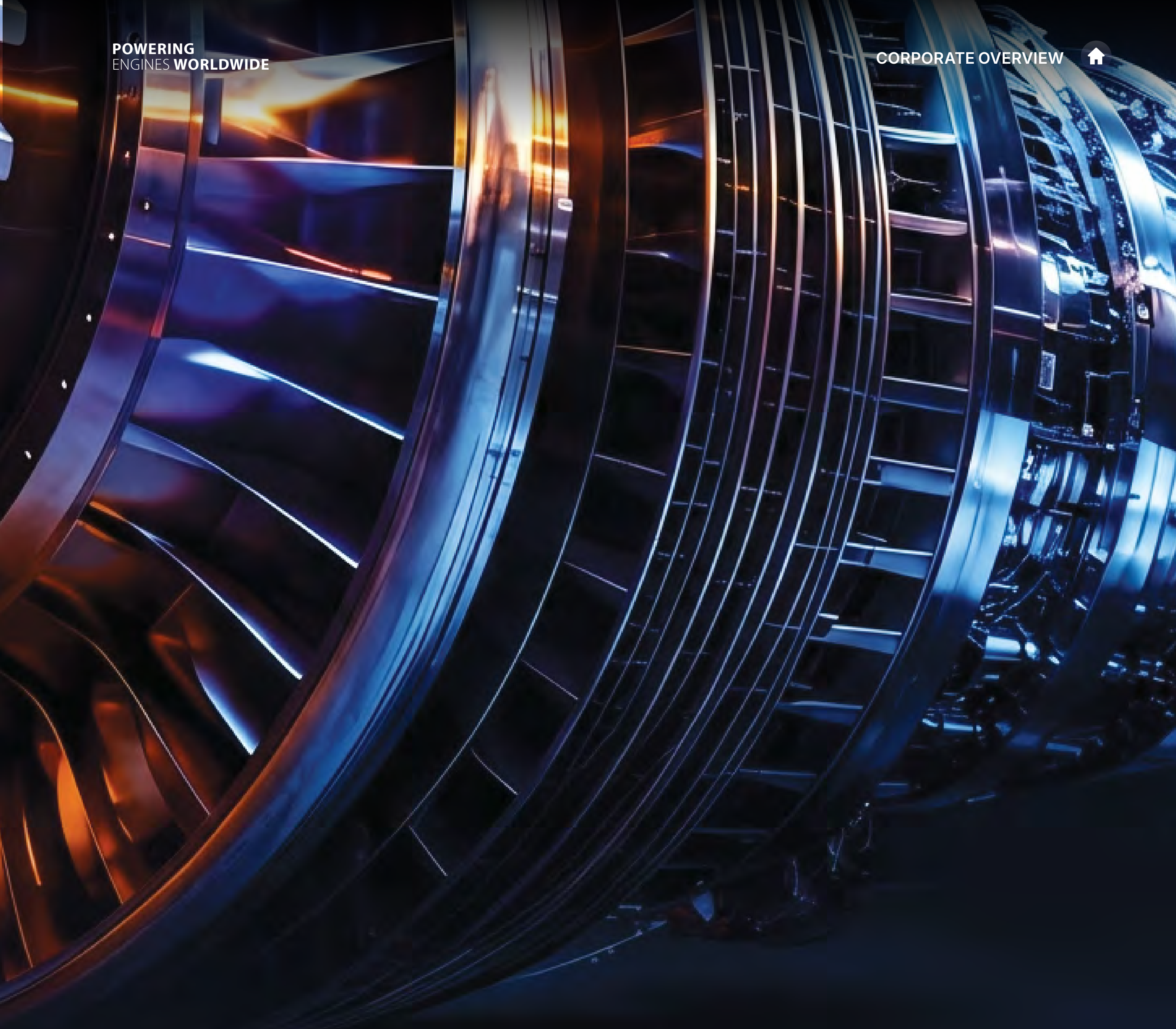
₹4,811.3 million segment revenue (incl. Oil & Gas)

81.5% of standalone revenue

up **34.2%**

order book **~₹37,000 million**

Reported segment includes Oil & Gas, which contributed under ₹100 million.



Energy remains our largest vertical, both by contribution to revenue and by the number of components we ship. We supply compressor 3D airfoils, specialised machine components and critical machine components to OEMs that hold roughly three-quarters of the global gas turbine market.

In FY 2025-26, we made crucial leaps in what we can make for our Energy customers, and we are now also qualified to make components in categories adjacent to 3D airfoils as well. As a result, airfoils, which accounted for close to 90% of our energy output four years ago, contributed ~75% in FY 2025-26.

This year also marked our entry into the hot section of the gas turbine. Late in the year, MHI Japan named us a single-source supplier and awarded an eight-year long-term contract and price agreement for hot-section nozzle vane segments for gas turbine engines. These components operate immediately downstream of the combustor, in the hottest component of the engine, and qualifying to make them requires manufacturers to clear some of the most stringent selection criteria in the industry. Consequently, the players who service this section are extremely limited in number. The category also opens a large addressable market to us and carries better return metrics than our historical categories.

We operationalised dedicated facilities for GE Vernova, Siemens Energy and Mitsubishi Heavy Industries.

In nuclear, Arabelle Solutions - wholly owned by EDF of France - qualified us after a multi-year audit, and the approval covers us globally rather than tying us to a single project. We are one of very few qualified producers of nuclear turbine airfoils in India, positioned for India's planned nuclear capacity additions and for opportunities internationally.

AEROSPACE & DEFENCE

₹1,012.6 million segment revenue

17.2% of standalone revenue

up **25.4%**

order book **~₹18,500 million**

In FY 2025-26, our Aerospace & Defence segment crossed ₹1,000 million in revenue for the first time, against a contracted order book of approximately ₹18,500 million.

In this vertical, our work is divided into two lines - aero systems and aero engines. The first covers APUs, actuators, hydraulic systems and structural components for customers including Honeywell Aerospace, Eaton Aerospace and Boeing, alongside domestic customers such as HAL, GTRE, Godrej Aerospace, Mahindra Aerospace, and Tata Advanced Systems. The second covers critical rotating and stationary 3D airfoils for Rolls-Royce and Pratt & Whitney Canada, with Safran Aircraft Engines. Our components fly on various aircraft platforms, including but not limited to the Boeing 737 and the Airbus A320 and A350 families and on strategic advanced defence systems.

FY 2025-26 was the year our aero-engine footprint took shape. Alongside GE Aerospace, we now work with three more of the world's leading engine makers. Rolls-Royce, which awarded us a seven-year contract in January 2024, is currently under qualification, with first shipments expected before the end of FY 2026-27 and production building into early FY 2027-28. We concluded a Master Terms Agreement and Purchase Agreement with Pratt & Whitney Canada in December 2025 for highly engineered critical rotating components, and signed a Memorandum of Understanding with Safran Aircraft Engines, following its technical assessment, covering critical rotating airfoils for strategic defence programmes.

Our subsidiary, AZAD VTC Private Limited, earned Nadcap accreditation for coatings during the year and then for heat treatment. We now run heat treatment, vacuum heat treatment, shot peening and coatings in-house, and we are bringing the remaining special processes under our capabilities to hold more of the supply chain under our own control.

We also advanced our work with the Gas Turbine Research Establishment (GTRE), DRDO, on India's first indigenous expendable turbojet engine in the 350 kg thrust class. GTRE designed the engine; AZAD as (DcPP) the sole development and production partner manufactured, assembled and delivered it. The first engine was handed over on July 22, 2026, after the close of the year. This class of engine is imported into India today, and the programme is not reflected in our management revenue guidance.

OIL & GAS

Under **₹100 million** revenue

Qualification Year

order book **~₹9,500 million**

In this vertical, our portfolio covers critical components for both oilfield services and equipment and industrial energy and technology - drill bits, bonnet frames, slips and hatch covers for exploration and midstream systems worldwide, and components for industrial energy applications. We planned FY 2025-26 as the qualification year for this vertical - the groundwork on which its revenues will be built.

In April 2026, shortly after the year closed, we inaugurated a 7,600 sq. m dedicated lean manufacturing facility for Baker Hughes at our Centre of Excellence in Tuniki Bollaram, Hyderabad. In this manufacturing plant, we make high-precision rotating airfoils for the finishing stages of gas and steam turbines, together with other complex mission-critical components, for the Industrial & Energy Technology business of Baker Hughes. We also supply high-precision components for Baker Hughes' Oilfield Services & Equipment programmes from this facility.

FY 2026-27 will be the first year in which Oil & Gas is expected to contribute to revenues.

OUTLOOK

Energy will remain the Company's largest vertical even as the revenue mix broadens materially over the next four to five years, and is expected to settle between 55% and 60% of revenue and Aerospace & Defence and Oil & Gas growing to account for the balance. This diversification reflects the maturing of investments made over several years: aerospace qualification programmes convert to production beginning FY 2026-27, the Oil & Gas vertical begins contributing revenue in the same year, and the four dedicated facilities commissioned to date, together with those scheduled for FY 2026-27, provide the installed capacity to deliver on both.

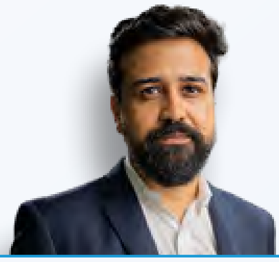
The pace of this transition will be set by the timing of qualification and ramp-up with the aerospace OEMs and by the pace at which newly commissioned facilities reach full operating rate. The Company works in close partnership with its OEM customers through each qualification milestone and has completed its own readiness for production, and ramp-up plans for each facility are in place and being executed against. An order book of approximately ₹65,000 million as at March 31, 2026 provides the visibility to invest ahead of the curve. Since 2008 the Company has built each of its verticals on a single operating principle, qualifying first and scaling thereafter, and it carries that proven discipline into the growth now ahead.

BOARD OF DIRECTORS

Rakesh Chopdar
Chairman & CEO

Jyoti Chopdar
Whole - Time Director

Murali Krishna Bhupatiraju
Managing Director



Vishnu Malpani
Whole - Time Director

Madhusree Vemuru
Independent Director

Deepak Kabra
Independent Director

Michael Joseph Booth
Independent Director

Subba Rao Ambati
Independent Director

SENIOR MANAGEMENT

Ronak Jajoo
Chief Financial Officer

Ashok Gentyala
Director - Technical

Saravanan Krishnan
Chief Business Officer

PR Balaji
Head - Growth

Upendra Tummala
Head - Business Excellence

Matthew Childs
Head - Key Accounts

Dinesh J Shetty
Head - Supply Chain

Atin Agarwal
Head - Analytics & IT

Silpa Kanaka Bellamkonda
Head - QMS

G Praneeth Abhishek
Company Secretary

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview and Business Context

AZAD is a build-to-print manufacturer of precision-engineered critical components serving three regulated manufacturing ecosystems: energy and power generation, aerospace & defence, and oil & gas. Components supplied into all three operate under extreme mechanical, thermal and pressure loads across asset lives, which are measured in decades. A single component failure can result in anything from an unplanned outage to catastrophic loss.

The criticality of these components for the OEMs has shaped how these supply chains are built. Original equipment manufacturers qualify a small number of suppliers and retain them across programme cycles, rather than tendering repeatedly on price. Qualification cycles routinely run 30 to 48 months, require demonstrated engineering and metallurgical capability, and demand zero-defect tolerance at parts-per-million levels. The duration and cost of this process remain the principal barrier to entry for a new supplier, and it tends to rise as programmes mature, rather than ease. The structure consequently favours suppliers already inside it, namely those with an established qualification history, a documented execution record, and customer relationships spanning multiple programme generations. AZAD has steadily built that position since 2008.

Demand across the Company's addressable markets remained supportive through FY 2025-26. In energy, capital investment in gas, nuclear, hydrogen and thermal turbine capacity continued to grow as utilities and industrial generators responded to rising baseload and grid-stability requirements, with incremental demand arising from data centre build-out linked to artificial intelligence workloads. In the aerospace industry, commercial aircraft build rates extended their recovery, while the defence sector’s spending stayed elevated against a heightened geopolitical threat environment. In the domestic market, policy emphasis on indigenisation of defence manufacturing and propulsion technology strengthened further. Investments in exploration, production and drilling infrastructure held steady over the year, supporting demand for the components the Company has begun supplying under its Oil & Gas vertical.

Global and Industry Overview

The Company supplies into three end markets that follow different cycles but share a common structure. Each rests on a large installed base of capital equipment with an operating life measured in decades, and each generates demand along two distinct paths: new equipment build, which moves with the prevailing investment cycle, and the scheduled replacement of components into equipment already in service, which is governed by operating hours and inspection intervals rather than by the capital expenditure environment of any given year.

The defining characteristic of FY 2025-26 across all three markets was that the constraint on output moved decisively to the supply side. Order books at the major original equipment manufacturers lengthened materially, while the capacity available to serve them, particularly in high-temperature alloy forging, precision machining and specialist coating and finishing, expanded far more slowly. Lead times for long-cycle components extended across all three industries. Original equipment manufacturers responded by contracting further forward than has been customary, consolidating volumes with suppliers already qualified to produce, and in an increasing number of cases underwriting dedicated capacity in place of ordering against periodic purchase orders.

Energy and Power Generation

Global electricity demand has continued to grow, supported by the electrification of transport and industrial heat, industrial and residential load growth across the world, and the build-out of data centre capacity to serve artificial intelligence workloads. Utilities and independent power producers have responded by ordering dispatchable capacity. The effect has been most pronounced in gas turbines, where order intake at the largest manufacturers has run ahead of installed production capacity and delivery slots are now committed several years forward.

Alongside new capacity, the installed base itself generates continuing demand. Turbines in service require the scheduled replacement of rotating and stationary components through operating lives measured in decades, on maintenance cycles rather than the investment cycle of any given year. Demand from industrial applications, where turbines serve captive and process power requirements, adds a further stream that is not tied to utility capital spending. Components of these classes can only be sourced from suppliers qualified against the relevant part numbers, and within the gas turbine, combustion and hot section content sits at a materially higher tier of manufacturing difficulty than compressor-side content, with a correspondingly smaller population of suppliers qualified to produce it at volume.

Conventional thermal generation continues to account for the majority of installed dispatchable capacity worldwide and, in a number of markets, is still being added. Steam turbines in coal and combined-cycle service carry the same classes of forged and machined rotating and stationary content as gas turbines, held to comparable approval requirements, and the operating fleet generates a continuing requirement for replacement components through scheduled outages. In India, a continuing programme of thermal capacity addition intended to meet rising peak load extends this demand into the domestic market.

Nuclear generation has returned to the policy agenda in several major markets, supported by the same load growth and by decarbonisation commitments that require firm low-carbon capacity. Activity spans life extension and uprating of the operating fleet, the restart of units previously retired, new large-scale construction, and the development of small modular reactors. The conventional island, and the steam turbine in particular, carries long lead-time forged and machined content held to approval requirements comparable to those applied in gas turbines, and the qualified supplier base for that content is correspondingly narrow. In India, planned nuclear capacity additions and the opening of the sector to private participation extend this demand into the domestic market.

Aerospace and Defence

Commercial air traffic has moved past pre-pandemic levels and continued to grow through the year. Order backlogs at the principal airframe and engine manufacturers now represent several years of output at current build rates, and the limitation on deliveries has been the supply chain rather than demand, with shortages of structural castings, forgings, complex machined components, engine components and skilled labour holding production below announced targets for successive years.

This has two consequences for component demand. Requirements for new equipment are underpinned by a backlog largely insulated from short-term movements in traffic. And because operators cannot take delivery of new aircraft on the schedules they had planned, existing fleets are being flown longer and maintained more intensively, lifting shop visit volumes and spare component demand alongside it. Both effects fall on the qualified component base — engine airfoils and rotating hardware, auxiliary power unit content, actuation and structural assemblies alike — and most acutely on those categories subject to the most demanding qualification requirements and served by the narrowest supplier base.

The technical direction of the industry reinforces this. Each successive engine generation operates at higher turbine entry temperatures and pressure ratios in pursuit of fuel burn and emissions targets, placing greater demands on airfoil metallurgy, cooling geometry, coating systems and dimensional tolerance. The alloys involved are correspondingly more difficult to machine, and the population of suppliers able to hold the required tolerances repeatably at production volume narrows with each generation. The same pattern holds across the component hierarchy: as content moves from cooler, simpler sections toward hot section and higher-integrity parts, the qualified supplier base contracts at every step.

Defence budgets have risen substantially and, of greater consequence for the supply chain, have shifted in composition. Heightened global tensions have translated into multi-year procurement programmes rather than single-year appropriations, giving the industrial base a longer planning horizon than it has had in some time. Spending priorities have moved toward the replenishment of munitions inventories depleted by recent conflicts and toward the expansion of unmanned, loitering and precision-strike systems, a category that requires expendable propulsion units in volumes the established engine industry was not configured to supply. In India, policy has continued to press the indigenisation of defence manufacturing through phased import restriction, domestic content requirements and the wider involvement of private industry in propulsion and aero-engine development, an area historically confined to state undertakings.

Oil and Gas

The equipment supply chain in this sector is organised by its principal manufacturers around two areas, presently on distinct trajectories: industrial and energy technology, and oilfield services and equipment.

Industrial and energy technology covers turbomachinery, compression, gas technology equipment and the associated process and control solutions. It has been driven by investment in gas infrastructure. A substantial wave of liquefaction capacity is presently under construction, concentrated in North America and the Middle East, and each train requires mechanical drive turbines, centrifugal compression trains, valves and flow control equipment ordered years ahead of commissioning, giving the principal turbomachinery vendors order backlogs extending several years forward. Adjacent applications in carbon capture compression and hydrogen handling, while smaller in scale, draw on the same equipment base and the same approved supply chain. The rotating and stationary content involved is closely related to that used in power generation turbines and is held to comparable approval standards, so the qualified supply base overlaps substantially with the one serving the turbine manufacturers.

Oilfield services and equipment covers well construction, completions, production systems and pressure control equipment used across surface and subsea installations, in product families that include drill bits, slips, bonnet frames and hatch covers used in exploration and midstream systems. It has tracked a steadier investment cycle. Within it, demand has been moving toward applications operating under more demanding pressure, temperature and corrosion conditions, manufactured in more specialised materials and to tighter tolerances than has historically been typical of the market.

As in aerospace and in power generation, the population of suppliers able to hold these specifications repeatably at production volume narrows as the duty becomes more severe. Both areas draw on the same base of precision forged and machined components and apply comparable qualification disciplines, so approvals earned on one side carry substantially into the other, and approvals earned in power generation carry into both.

Business Overview and Competitive Positioning

AZAD commenced manufacturing operations in 2008 and has since established itself as a qualified supplier of highly engineered, mission- and life-critical precision-forged and machined components to global original equipment manufacturers. The Company competes against a narrow field of established suppliers based principally in the United States, certain European nations, China and Japan. Exports accounted for 93% of revenue in FY 2025-26, with the Company supplying OEMs across 11+ countries.

The component portfolio centres on three-dimensional rotating and stationary airfoils, alongside a widening range of non-airfoil precision components: special machined components, combustion assemblies, hydraulic and actuation systems, and, most recently, fully assembled and integrated propulsion systems. These serve customers across the Energy, Aerospace & Defence, and Oil & Gas segments.

The Company's strategy over the period under review has been to deepen wallet share with existing qualified customers, move into higher-complexity and higher-value component categories, and convert multi-year qualification investments into commercial production revenue.

Financial performance during the year reflected the initial outcomes of this strategy. The Aerospace & Defence segment crossed ₹1,000 million in annual revenue for the first time, an inflection the Company regards as significant. Consolidated revenue grew 31.8% to ₹6,029.8 million. EBITDA margin stood at 37.4%, expanding over the prior year as newly commissioned capacity contributed volumes and operating leverage came through. Profit after tax grew 54.3%, aided by margin expansion. On a standalone basis, revenue grew 30.3% and profit after tax 49.3%, broadly consistent with the consolidated trend.

Energy Segment : Consolidating Over Fifteen-Years of Franchise

The Energy segment remains the Company's largest revenue contributor at 79.7% of standalone revenue. It rests on relationships with GE Vernova, Siemens Energy and Mitsubishi Heavy Industries among others, each running beyond a decade, secured through qualification processes completed progressively over the Company's operating history. These three customers together account for a substantial share of global gas and steam turbine manufacturing capacity.

During FY 2025-26, the relationship with Mitsubishi Heavy Industries, already anchored by an existing supply agreement for rotating and stationary airfoils, was extended through an eight-year single-source contract for hot-section nozzle vane components used in gas turbine combustion systems. Hot-section combustion components sit at a materially higher tier of manufacturing complexity than the compressor-side airfoils that form the historical core of the Company's Energy business, and only a small number of manufacturers worldwide are currently qualified to produce them.

To support execution of the expanding order book, the Company commissioned dedicated customer-specific manufacturing facilities for GE Vernova and Siemens Energy during the year, and operationalized the Mitsubishi Heavy Industries unit inaugurated shortly before the close of FY 2024-25. This forms part of a broader shift away from shared general-purpose capacity toward facilities purpose-built for individual customer programmes. Management believes this approach reduces execution risk on committed programmes and reinforces the switching costs that already favour qualified incumbents. These facilities are expected to progress toward stable operating levels over the coming year, with peak utilisation anticipated over a longer horizon as volumes ramp in line with customer offtake schedules.

In nuclear, AZAD is amongst the few qualified producers of turbine airfoils in India. The Company is a qualified supplier for Arabelle Solutions, an EDF subsidiary, following an audit and qualification process conducted over several years. The approval is global in scope rather than tied to a single project, positioning the Company for nuclear capacity additions both domestically alongside NPCIL and in international markets.

Aerospace & Defence: From Qualification to Production

The Aerospace & Defence segment crossed ₹1,000 million in revenue for the first time during the year. This reflects the conversion of qualification efforts for some OEMs undertaken over several years into commercial production, as some of these programmes moved from development toward supply.

The relationship with Rolls-Royce, established under a long-term contract for civil aircraft engine airfoils, progressed further during the year, with commercial-scale supply expected to commence over the coming fiscal year as remaining qualification milestones are achieved. The Company also finalised a new supply agreement with Pratt & Whitney Canada, extending its customer base to another major aero-engine manufacturer, while qualification activity with Safran continued in parallel. Management considers the current stage of these relationships broadly analogous to the Company's position with its Energy customers in earlier years, when qualification stage engagements converted into recurring commercial volume as capability and wallet share were established over successive programme cycles.

The most significant development in the segment during the period was the advancement of India's first indigenous expendable turbojet engine in the 350 kg thrust class, developed for the Defence Research and Development Organisation's Gas Turbine Research Establishment. Under an arrangement secured in an earlier fiscal year, the Company is the sole industry partner responsible for the manufacture, assembly, integration and delivery of the Advanced Turbo Gas Generator engine, a propulsion system intended for anti-ship missile, unmanned aerial vehicle and target drone applications. Management regards this as a material strategic milestone: it extends the Company's capability beyond component supply into full propulsion system integration, a capability held by a small number of companies globally.

Oil & Gas: An Emerging Third Vertical

The Oil & Gas segment remains the smallest of the Company's three end markets. Revenue during the year was modest, reflecting activity concentrated in qualification and pre-production work. The segment's principal relationship is a multi-year agreement with Baker Hughes for the supply of complex precision machined components used across its Industrial & Energy Technology and Oilfield Services businesses.

Shortly after the close of FY 2025-26, the Company inaugurated its fourth dedicated manufacturing facility, located in its Tuniki Bollaram campus and built specifically to serve the Baker Hughes relationship. Management expects this facility to support a step-up in segment revenue over the coming fiscal year as qualified components move into serial production.

SEGMENTAL **PERFORMANCE**

Energy and Oil & Gas remained the largest revenue contributors, carried by demand for critical rotating and stationary components in turbines and energy infrastructure. Segment revenue grew 34.2% to ₹4,811.3 million. Aerospace & Defence grew 25.4% to ₹1,012.6 million, crossing the ₹1,000 million mark for the first time on the back of wider participation in qualified component categories with global customers. Segment figures are presented on a standalone basis.

Revenue by segment (standalone)	FY 2025-26 (₹ million)	FY 2024-25 (₹ million)	Growth
Energy and Oil & Gas	4,811.3	3,586.3	34.2%
Aerospace and Defence	1,012.6	807.4	25.4%
Total revenue from operations*	5,903.8	4,529.3	30.3%

**includes Other Operating Revenue, which is not depicted in the segmental breakdown shown above. Full details can be found in Note 23 to Standalone Financial Statements.*

Entry Barriers and Sustainability of Competitive Position

The Company's competitive positioning across all three segments rests on entry barriers created by the qualification process itself rather than by market conditions. Qualification of a new component supplier by a global original equipment manufacturer typically requires 30 to 48 months, during which supplier and customer jointly commit engineering time and capital to design validation, first article inspection and process certification, well in advance of any commercial shipment.

Components of this class carry zero-defect tolerance requirements measured in parts per million, reflecting their mission- and life-critical function. This standard leaves minimal margin for manufacturing variability and, consequently, favours suppliers with mature, proven quality systems and a demonstrated history of performance.

Once qualified, suppliers benefit from meaningful switching-cost protection. The customer has itself borne substantial cost and invested time in approving the supplier, and requalifying an alternative would require repeating that investment in its entirety. Original equipment manufacturers therefore do not generally reconsider incumbent suppliers in the absence of a substantial cost differential or a sustained performance failure.

The Company has, over its operating history, achieved qualification across more than 45 distinct manufacturing processes and in excess of 1,700 individual components. Management estimates that replicating a portfolio of comparable breadth would require a new entrant 15 to 20 years under similar capital and technical conditions.

CAPACITY EXPANSION **AND CAPITAL ALLOCATION**

Capacity expansion during the year remained tied to firm contracted customer commitments rather than anticipated demand, consistent with the capital allocation discipline management has maintained over recent periods. As at April 2026, the Company had commissioned four dedicated customer-specific manufacturing facilities, with further phased capacity under construction.

On completion of both phases, the programme will take the Company's manufacturing footprint to approximately 182,000 square metres, roughly nine times the area at the start of the expansion, distributed across all three business verticals and dedicated to specific OEM programmes. Management continues to view this expansion as directly linked to the order book, which which stood at ₹65,000 million at year end provides revenue visibility across the three segments over a multi-year horizon.

WORKING CAPITAL **AND FINANCIAL DISCIPLINE**

Long qualification cycles, extended production lead times and the inventory required to support newly ramping customer programmes together hold working capital at an elevated level relative to revenue. This is structural to the business rather than a function of the year's activity.

Working capital intensity remained a focus for management during the year. The Company expects a gradual normalisation of working capital days over the coming fiscal periods as recently qualified programmes, particularly within Aerospace & Defence, mature from development stage activities into steadier states of production.

Capacity expansion and working capital requirements were funded through a combination of internal accruals, debt and equity capital raised in recent periods. Management expects capital efficiency to improve progressively as recently commissioned facilities reach normalised utilisation.

Key financial ratio	FY 2025-26	FY 2024-25	Change	Explanation
Debtors turnover (times)	2.22	2.31	(0.09)	Not a major variance
Inventory turnover (times)	0.22	0.39	(0.17)	Decrease was on account of improved cost of goods sold margin and increase in inventories (mainly due to capacity additions during the year).
Debt coverage ratio (times)	4.13	4.81	(0.68)	Not a major variance
Current ratio (times)	3.29	5.30	(2.01)	The ratio decreased primarily due to reduction in cash and cash equivalents consequent to utilisation of QIP proceeds towards capital expenditure.
Debt - equity ratio (times)	0.29	0.17	0.12	The increase is on account of new loans raised during the current year.
EBIDTA profit margin (%)	36.9	35.5	1.4	Not a major variance
Net profit margin (%)	22.4	19.5	2.8	Not a major variance
Return on Capital Employed (%)	10.7	8.7	2	In FY 2024-25, the ratio decreased due to an increase in capital employed arising from the issue of fresh shares. In FY 2025-26, ROCE improved marginally due to capex activities.

Strategic Position Assessment

Category	Dimension	Commentary
Strengths	Qualification base	Over 1,700 qualified components and more than 45 specialised processes, each secured through multi-year OEM validation cycles that capital deployment alone cannot replicate or shorten.
	Relationship longevity	Principal customer engagements exceed ten years with high repeat business, deepened by dedicated manufacturing facilities commissioned for individual OEMs.
	Engineering capability	Components machined to tolerances measured in microns, with defined component lines supplied against parts-per-million defect standards demanded by mission- and life-critical applications.
	Value chain positioning	The portfolio has widened from cold-section into hot-section content, and from discrete components into assemblies and sub-assemblies, moving the Company into work with fewer qualified competitors. Specialised machined parts extend the range in the other direction, broadening the base beyond heritage airfoil lines.
	Acquisitions	Acquisitions have extended the Group into large-format manufacturing and internalised specialised surface treatment, adding capability and capturing value previously outsourced.
	Capacity and scale	New facilities materially expand installed capacity and are configured around specific customers to support committed long-cycle programmes.
	Asset fungibility	Commissioned assets and recruited personnel are deployable across customers and sectors, limiting the risk of stranded capacity should a single programme or end-market slow.
	Margin profile	The Company sustains high margins on complex, low-volume work while pricing competitively against international suppliers.
Challenges	Segment concentration	Energy and Oil & Gas contributed 81.5% of FY 2025-26 revenue, concentrated among three OEMs. Rebalancing through aerospace and defence and Oil & Gas remains a multi-year undertaking.
	Input dependency	Customer-mandated raw materials are sourced from a limited pool of approved mills, restricting the Company's ability to substitute suppliers or negotiate on supply terms.
	Working capital intensity	Working capital days remain elevated relative to revenue, reflecting inventory carried in support of ramping programmes. Normalisation over the coming periods governs the conversion of reported profit into operating cash.
	Capital maturation lag	Substantive contribution from new manufacturing lines is expected from FY 2026-27, until which return ratios will reflect the timing gap inherent to a scaling cycle.
	Talent and execution	Precision machining and process engineering talent remains scarce. Retention and capability transfer are prerequisites to ramping new facilities on schedule.

Category	Dimension	Commentary
Opportunities	Structural demand across served markets	Electricity demand is rising on electrification and data centre growth, with gas, nuclear and hydrogen-ready capacity expanding and OEM backlogs at elevated levels.
	Progression into assemblies and systems	Moving from components into assemblies, sub-assemblies and complete systems raises realisation per unit of installed capacity and widens the addressable market.
	Aerospace and defence indigenisation	Aerospace accounts for approximately USD 200 million of the order book, scaling as global OEMs establish Indian manufacturing footprints under procurement mandates.
	Group operating leverage	AZAD VTC's specialised coatings capability and AZAD Prime's manufacturing of components outside AZAD's own scope allow the Group to serve customers across a wider portion of their requirement.
Threats	Trade and geopolitical environment	Evolving trade policy may affect input costs, logistics and customer procurement timelines, with the direction and timing of measures outside the Company's control.
	Qualification dependency	Qualification status is contingent on sustained quality and delivery performance. Withdrawal by a major OEM would remove revenue that could not be substituted within a comparable timeframe, given the multi-year cycles required to qualify elsewhere.
	Raw material pricing	Raw material cost is contractually passed through to customers, with the Company absorbing price movement within a ±5% band. Margin exposure is accordingly limited to movement inside that band.
	Technological progression	Rising component complexity requires sustained investment in process capability and equipment to hold qualification standing on next-generation programmes.

Internal Control Systems and Their Adequacy

AZAD maintains an internal control framework designed to safeguard assets, ensure accurate and reliable financial reporting, strengthen operational efficiency and maintain compliance with applicable laws. It is aligned to established governance practice and reviewed periodically so that it keeps pace with the Company's scale and risk profile.

Defined policies, standard operating procedures and control mechanisms operate across procurement, manufacturing, quality management, finance and compliance. The discipline that governs a qualified manufacturing process governs the control environment around it, supporting risk management and the timely identification and correction of operational or financial irregularities.

Integrity is treated as an operating requirement. The Company maintains a vigil mechanism, including a Whistleblower Policy, giving employees and stakeholders a secure and confidential channel to report unethical conduct, fraud, financial impropriety or regulatory breaches, without fear of retaliation.

The Internal Audit function, operating under the oversight of the Audit Committee of the Board, reviews the adequacy and effectiveness of the control environment and risk management processes. Observations and recommendations are tracked to closure, with corrective actions implemented to strengthen controls and improve processes.

The Company continues to strengthen its internal control systems, risk management practices and ethical framework in support of sustainable growth and long-term stakeholder value.

Human Resources

Through FY 2025-26, the Company strengthened its organisational architecture in step with expanding scale and rising complexity, adding senior professionals, deepening functional capability, sharpening cross-functional coordination and building the systems the next phase of growth will require. The Company closed the year with a workforce of more than 2,500 employees, a robust growth from the prior years, with the addition concentrated in the engineering, manufacturing and quality functions required to operate the customer-dedicated facilities commissioned during the period.

In mission- and life-critical manufacturing, capability resides in people as much as in machines. As dedicated facilities ramp up and long-duration OEM programmes advance, AZAD continues to invest in talent development, technical training, leadership development and a safety culture held to the same standard as the components the Company makes.

Continuous learning, structured training, employee engagement and clear career paths support an inclusive workplace in which people can build long careers, and in which operational excellence, quality and delivery reliability are carried as individual responsibilities rather than departmental ones.

Information Technology

Information technology underpins manufacturing execution, production planning, quality documentation, programme monitoring, inventory control, finance, compliance and reporting. In mission- and life-critical work, traceability is not an administrative function: every component must carry a verifiable record of material, process and inspection across its service life, and that record depends on the integrity of the systems holding it. As the Company scales dedicated facilities and deepens its participation in global OEM programmes, AZAD strengthened systems across planning, ERP, shop-floor execution, quality management and governance during the year, tightening coordination, control over manufacturing workflows and readiness for higher throughput as new facilities stabilise.

During FY 2025-26, the Company continued to invest in strengthening its digital and information-technology environment. Key initiatives included enhancement of the ISO/IEC 27001:2022-aligned Information Security Management System, modernisation of network and security infrastructure, improvement of server and backup capabilities, strengthening of identity and access controls, and enhancement of centralised security monitoring and ICT-log retention.

The Company also improved the resilience of its IT environment through redundant connectivity, network segmentation, secure remote access, business-continuity planning and periodic review of critical-system recovery requirements.

During the year, the Company also evaluated enhanced SIEM and Security Operations Centre capabilities for improved threat monitoring, incident detection and response. These initiatives form part of the Company's ongoing programme to strengthen cybersecurity, protect stakeholder information, maintain business continuity and support the digital requirements of its expanding operations.

Outlook and Risk Factors

Looking ahead, the Company expects continued growth across each of its three segments, supported by its expanding and diversifying order book, the ongoing ramp-up of newly commissioned dedicated manufacturing facilities, and the deepening of relationships with both existing and newly qualified original equipment manufacturers. Management has consistently guided towards sustained revenue growth in excess of 25% per annum. Segmental contribution is also expected to undergo meaningful changes, with Energy contributing between 55% and 60% of revenue over four to five years, and Aerospace & Defence and Oil & Gas carrying the balance.

The Company remains subject to a number of risks inherent to its business model and industry. A meaningful proportion of the Company's order book depends on the successful and timely conversion of qualified programmes into production volume, a process that, notwithstanding the Company's strong execution track record, can be subject to timeline variability given the technically demanding and often first-of-kind nature of the components and systems involved. The Company's working capital and capital expenditure requirements are likely to remain structurally elevated for a sustained period as capacity continues to expand ahead of full utilisation, and the Company's ability to generate free cash flow on a sustained basis is expected to develop only gradually as this expansion cycle matures. The Company's revenue remains heavily weighted towards export markets and towards a concentrated customer base, notwithstanding recent diversification, among a relatively small number of large global original equipment manufacturers, exposing the Company to cyclicality in global commercial aerospace production, energy sector capital expenditure, and defence procurement activity. Certain growth initiatives, including exploratory international expansion, remain subject to evolving geopolitical and market conditions that may affect their timing. The Company continues to monitor these risks closely as part of its ongoing strategic and operational planning.

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains forward-looking statements based on the current expectations, assumptions, projections and estimates of the management of AZAD Engineering Limited. These statements carry risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied.

Factors that could influence performance include economic conditions, geopolitical developments, customer procurement schedules, regulatory changes, raw material availability, currency movements, technological change, capacity ramp-up timelines, qualification outcomes, supply chain disruptions and other internal or external factors affecting the industry or the Company.

The Company assumes no obligation to publicly update or revise any forward-looking statement, whether from new information, future events or otherwise. Readers should exercise caution when interpreting forward-looking statements.

Corporate Information

Board of Directors	Rakesh Chopdar – *Executive Chairman and CEO* Murali Krishna Bhupatiraju - *Managing Director* Jyoti Chopdar - *Whole-time Director* Vishnu Malpani - *Whole-time Director* Madhusree Vemuru - *Independent Director* Subba Rao Ambati - *Independent Director* Michael Joseph Booth - *Independent Director* Deepak Kabra - *Independent Director*
Key Managerial Personnel	Ronak Jajoo - Chief Financial Officer G. Praneeth Abhishek - Company Secretary, Compliance Officer and Head Legal
Statutory Auditor	**M S K A & Associates LLP (Formerly know as M S K A & Associates), Chartered Accountants** FRN: 105047W/W101187 1101/ B, Manjeera Trinity Corporate, JNTU-Hitec City Road, Kukatpally, Hyderabad, Telangana-500072
Secretarial Auditor	**Ashish Kumar Gaggar** Flat No. 201, IInd Floor, Lake View Towers, Safari Nagar, Kothaguda, Kondapur, Hyderabad, Telangana–500084, India
Registrar and Share Transfer Agent	**KFin Technologies Limited** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400 070, Maharashtra, India
Bankers	Union Bank of India IndusInd Bank Ltd. ICICI Bank Ltd. HDFC Bank Limited Tata Capital Limited Bandhan Bank Limited Yes Bank Limited
Registered Office	90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad, Telangana–500055, India
Plant Locations	90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad 500055, Telangana, India. 90/E, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana-500055, India Plot No D42/43, Phase V, TSIIC, IDA, Jeedimetla Industrial Park, Quthbullapur Mandal, Hyderabad, Medchal Malkajgiri, Telangana-500055, India Plot No 63/A , Phase I, TSIIC IDA, Survey No 298, Jeedimetla Village, Industrial Park, Quthbullapur Mandal, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India Plot No. 17/B, Pashamylaram, Isnapur, Sangareddy, Telangana-502307, India SY 340, Plot No 85 to 92 & 118 to 123, Industrial Park - Tuniki Bollaram, Siddipet, Telangana-502279, India Plot No 30 & 31 Phase 5, IDA, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana, 500055, India

Board's Report

Dear Members,

Your Directors are pleased to present the 43rd Annual Report of your Company for the financial year 2025-2026 highlighting the business performance together with the Audited Financial Statements for the financial year ended March 31, 2026, and the Auditors' Reports thereon.

1. Financial Highlights and Company Affairs:

The Company's financial performance for the financial year ended March 31, 2026, is summarised below:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Revenue from operations	6,029.75	4,573.54	5,903.75	4,529.28
Less: Total Expenses **(other than Finance Cost, Exceptional Items and tax)**	4,305.04	3,255.30	4,227.16	3,205.24
Profit/Loss from operations (before Other Income and Finance Cost and Exceptional Items)	**1,724.71**	**1,318.24**	**1,676.59**	**1,324.04**
Add: Other Income	456.54	105.91	475.33	115.49
Profit/ Loss from operations after Other Income and before Finance Cost and Exceptional Items and tax	**2,181.25**	**1,424.15**	**2,151.92**	**1,439.53**
Less: Finance Costs	308.19	183.89	297.07	179.36
Profit/ Loss before exceptional items and tax	**1,873.06**	**1,240.26**	**1,854.85**	**1,260.17**
Add/(Less): Exceptional items	0	0	0	0
Profit/Loss before Taxation	**1,873.06**	**1,240.26**	**1,854.85**	**1,260.17**
Tax Expense:				
Current Tax	323.68	307.73	320.89	307.73
Deferred Tax	217.71	47.50	216.31	47.50
Taxation pertaining to earlier years	(3.96)	19.69	(3.96)	19.69
Net Profit/ Loss for the year	**1,335.63**	**865.34**	**1,321.61**	**885.25**
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	0.04	(1.32)	(0.39)	(1.32)
(ii) Tax relating to items that will not be reclassified to profit and loss	0.01	0.38	0.11	0.38
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 Profit/ (Loss for the year, net of tax	**0.05**	**(0.94)**	**(0.28)**	**(0.94)**
Total Comprehensive Income for the year comprising Profit/ (Loss) & Other Comprehensive Income	**1,335.68**	**864.40**	**1,321.33**	**884.31**

The Company's standalone revenue from operations for the FY 2025-26 was ₹ 5,903.75 million, an increase of 30.35% from previous financial year's revenue of ₹4,529.28 million. The net profit after tax of the Company for the FY 2025-26 was ₹1,321.61 million, an increase of 49.29% from the previous financial year's net profit of ₹885.25 million.

On Consolidated basis, revenue from operations of the Company for the FY 2025-26 stood at ₹6,029.75 million compared to ₹4,573.54 million in previous financial year, reflecting a robust growth of 31.84%. The net profit after tax increased to ₹1,335.63 million in FY2025-26 from ₹865.34 million in previous financial year, marking a significant rise of 54.34%.

There has been no change in the nature of the business of the Company during the period under review.

2. DIVIDEND:

The Board of Directors do not recommend any dividend for FY2025-26.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has formulated a Dividend Distribution Policy which can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/06/Dividend-Distrbution-Policy.pdf.

3. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

As on March 31, 2026, your Company has two subsidiaries, namely Azad VTC Private Limited and Azad Prime Private Limited and there has been no change in the nature of business of these subsidiaries during the FY 2025-26 nor any change in the shareholding of these subsidiaries.

The Company has no Associate or Joint Venture Companies as defined in Section 2(6) of the Companies Act 2013 ("Act").

Pursuant to Section 129(3) of the Act, the Company has, in addition to standalone financial statements, prepared a consolidated financial statement of the Company and all its subsidiaries for the FY2025-26 in accordance with IND AS 110 as specified in Companies (Indian Accounting Standards) Rules, 2015, and these form part of this Annual Report. Further, as per Section 129(3), Form AOC – 1 viz a statement containing the salient features of the financial statements of all subsidiaries of the Company is attached as **Annexure – 1** to this Boards Report.

In accordance with Section 136 of the Act, the audited financial statements, together with related information and other reports of each of the subsidiary companies are uploaded on the Company's website and can be accessed on the website of the Company at https://azad.in/finanicals/ and these are also available for inspection during the regular business hours at the registered office of the Company and/or in electronic form.

Material Subsidiaries

Pursuant to Regulation 16(1)(c) of the Listing Regulations, a "Material Subsidiary" shall mean a Subsidiary whose turnover or net worth exceeds ten (10) percent of the consolidated turnover or net worth of the Company and its subsidiaries in the immediately preceding accounting year. Further, the Company has formulated a policy for determining material subsidiaries in compliance with aforesaid regulation and it can be accessed on the website of the Company at https://azad.in/wp-content/uploads/2026/03/Policy-for-Determining-Material-Subsidiary.pdf

The Company does not have any Material Subsidiaries.

4. TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve for the FY2025-26. The profit for the FY2025-26 would be retained in the Retained Earning Account. The closing balance of Retained Earning Account as on March 31, 2026, is ₹3,942.02 Million.

5. PUBLIC DEPOSITS:

The Company has not accepted any deposits in terms of Chapter V of the Act.

6. SHARE CAPITAL AND CHANGES, IF ANY:

There was no change in the share capital of the Company during the FY2025-26. The Authorised Share Capital of the Company was ₹15,00,00,000/- (Rupees Fifteen Crore only), divided into 7,50,00,000 (Seven Crore Fifty Lakh) equity shares of ₹2/- (Rupees Two only) each.

As on March 31, 2026, paid up share capital of the Company was ₹12,91,63,486/- comprising of 64,581,743 Equity Shares of ₹2 each.

Further, during the year under review, the Company has neither bought back any of its securities nor issued any sweat equity shares.

7. EMPLOYEES STOCK OPTION SCHEME:

The Company has implemented "Azad ESOP Scheme, 2024" (ESOP Scheme) and it is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021. The ESOP Scheme is available and can be accessed on the Company's website at https://azad.in/wp-content/uploads/2025/07/ESOP-policy.pdf. During the FY2025-26 there has been no change in the ESOP Scheme. Further, since implementation of ESOP Scheme in FY2024-25 till March 31, 2026, the Company has not granted any Options under the ESOP Scheme.

The Company's Secretarial Auditor has certified that the ESOP Scheme of the Company has been implemented in accordance with the Regulations and the resolution approved by the members in this regard.

The disclosure in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations and Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is attached as **Annexure – 2** to this Boards Report.

8. PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS MADE:

The details of loans, guarantees, and investments made by the Company are disclosed in the notes to the Standalone Financial Statements, which forms part of this Annual Report.

9. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

i. In preparation of the Annual Accounts for the financial year ended March 31, 2026, the applicable Accounting Standards have been followed and there are no material departures.

ii. They have selected such Accounting Policies 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. They have taken proper and sufficient care 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. They have prepared the Annual Accounts on a going concern basis.

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

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

10. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

As on March 31, 2026, the Board of Directors consists of eight Directors out of which four are Independent Directors and remaining are Executive Directors. Further, out of eight directors two of them are Women Directors.

During the FY2025-26 there was no change in the Directors of the Company.

The details of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

Directors Liable to Retire by Rotation

Pursuant to Section 152(6) of the Act, Mr. Rakesh Chopdar (DIN: 01795599), Whole-time Director, Chairman and Chief Executive Officer of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible he seeks re-appointment.

Reappointment of Executive Directors

The members of the Company at their Extra Ordinary General Meeting held on September 15, 2023, had appointed Mr. Rakesh Chopdar (DIN: 01795599), as the Chairman and Chief Executive Officer for a term of three years which ends on September 12, 2026. Further, the members at the said Extra Ordinary General Meeting, had also appointed Mrs. Jyoti Chopdar (DIN: 03132157) and Mr. Vishnu Malpani (DIN: 10307319) as the Whole-Time Directors of the Company for a term of three years which ends on September 12, 2026.

Mr. Rakesh Chopdar, Mrs. Jyoti Chopdar, and Mr. Vishnu Malpani had expressed their willingness to be reappointed to their existing office in the Company. The Company had received a notice from a member proposing the candidature of Mr. Rakesh Chopdar, Mrs. Jyoti Chopdar, and Mr. Vishnu Malpani to be reappointed as the Whole-Time Directors of the Company. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 12, 2026, and subject to approval of the members, had appointed Mr. Rakesh Chopdar as the Whole-Time Director and Chief Executive Officer and designated him as the Chairman of the Company for a period of five years with effect from September 13, 2026 at remuneration and terms and conditions which are provided in the resolution and explanatory statement of the Notice convening the 43rd Annual General Meeting which forms part of this Annual Report. The Board of Directors at its meeting held on May 12, 2026, had also appointed Mrs. Jyoti Chopdar and Mr. Vishnu Malpani as the Whole-Time Directors of the Company for a period of five years with effect from September 13, 2026, at remuneration and terms and conditions which are provided in the resolution and explanatory statement of notice as aforesaid. The Board of Directors recommend to the members the resolution no. 4, 5, 6 relating to aforesaid appointments to be approved.

Independent Directors:

Four Independent Directors are on the Board of the Company, and their details are provided in the Corporate Governance Report which forms part of this Annual Report.

In accordance with Section 149(7) of the Act all the Independent Directors have submitted declarations that each of them meet the criteria of Independence as mentioned in Section 149(6) of the Act and rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and there has been no change in circumstances affecting their status as Independent Directors. The Independent Directors have affirmed adherence to the Code for Independent Directors prescribed in Schedule IV of the Act. The Board has taken on record the said declarations received from the Independent Directors.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience to fulfil their duties as Independent Directors.

In accordance with Schedule V of the Act and Regulation 25(3) of the Listing Regulations a separate meeting of the Independent Directors was held in FY2025-26. The details of the meeting are provided in the Corporate Governance report which forms of this Annual Report.

Key Managerial Personnel(s):

During the FY2025-26 the following changes occurred in the Key Managerial Personnel ("KMP") of the Company.

a. Mr. Ful Kumar Gautam resigned from his position as Company Secretary and Compliance Officer of the Company with effect from November 28, 2025.

b. Mr. Gunda Praneeth Abhishek was appointed as the Company Secretary, Compliance Officer, and Head Legal with effect from November 29, 2025.

As on March 31, 2026, following are the KMP of the Company:

Sr. No.	Name of KMP	Designation
1.	Rakesh Chopdar	Executive Chairman and CEO
2.	Murali Krishna Bhupatiraju	Managing Director
3.	Jyoti Chopdar	Whole-Time Director
4.	Vishnu Malpani	Whole-Time Director
5.	Ronak Jajoo	Chief Financial Officer
6.	G. Praneeth Abhishek	Company Secretary, Compliance Officer and Head Legal

11. PARTICULARS OF BOARD MEETINGS AND ITS COMMITTEES:

During the FY2025-26, 11 Board meetings were held, details of which are given in the Corporate Governance Report, which forms part of this Annual Report. Necessary quorum was present at all the meetings and the maximum gap between the two Meetings did not exceed 120 days.

The Company has duly constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee. The details of the Committees are provided in the Corporate Governance report which forms part of this Annual Report.

All the recommendations made by the aforesaid Committees were accepted by the Board.

12. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has a Familiarisation Program in place for its Independent Directors to acquaint them with the Company, their roles and responsibilities, Company's business model, and operational aspects. Details of Familiarisation Program for Independent Directors is given in the Corporate Governance Report, which forms part of this Annual Report.

13. NOMINATION & REMUNERATION POLICY:

Pursuant to Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations, the Company has adopted a Nomination and Remuneration Policy for *inter alia* for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration, and performance evaluation of Directors. The Policy can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/05/NRC-Policy.pdf

14. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the performance evaluation of itself, its Committees and individual Directors. The outcome of the performance evaluation was reviewed by the Board and performance of the Board and its Committees and Directors were found satisfactory. Details of the Board evaluation are provided in the Corporate Governance Report, which forms part of this Annual Report.

15. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company complies with Secretarial Standards 1 and 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', issued by the Institute of Company Secretaries of India.

16. UNSECURED LOANS FROM DIRECTORS:

The Company has not accepted any amount as unsecured loans from Directors of the Company.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the transactions entered into by the Company with related parties during FY2025-26 were at Arm's length basis and in ordinary course of business. Further, there were no material transactions with related parties during the FY2025-26, hence disclosure of related party transactions in Form AOC – 2 as required under Section 134(3)(h) of the Act is not applicable.

The details of transactions with related parties are provided in the note 31 to the Standalone Financial Statements which form part of this Annual Report.

The Policy of the Company for determining materiality of Related Party Transactions and dealing with Related Party Transactions can be accessed on the Company's Website at https://azad.in/wp-content/uploads/2026/06/RPT-Policy.pdf.

18. CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted Corporate Social Responsibility Committee ("CSR Committee") and has formulated and implemented a Corporate Social Responsibility Policy which can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/03/CSR-Policy.pdf.

During the FY2025-26 the Company has undertaken various Corporate Social Responsibility activities in compliance with the Act which were recommend by the CSR Committee and approved by the Board. The Annual Report on CSR activities is attached as **Annexure - 3** to the Boards Report.

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

The Company was not required to carry out Impact Assessment of its CSR activities which were undertaken.

19. AUDITORS:

a. STATUTORY AUDITORS

The members of the Company, on the recommendation of the Audit Committee and the Board of Directors, had at their 39th Annual General Meeting held on December 29, 2022, appointed M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W), as the Statutory Auditors of the Company to hold office till conclusion of 44th Annual General Meeting of the Company. During the FY2025-26, M/s. MSKA & Associates, Chartered Accountants, converted from a partnership firm into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from January 13, 2026. Consequent to such conversion, the firm is now known as M S K A & Associates LLP, Chartered Accountants and with ICAI Firm Registration No. is 105047W/W101187.

The Statutory Auditor has carried out audit and issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2026. The Auditors' Report, read with the relevant notes as given in the Notes on Accounts for the year ended March 31, 2026, are self-explanatory and therefore do not call for any further comments under Section 134(3)(f) of the Companies Act, 2013.

During the year under review there were no instances of fraud reported by the Statutory Auditor.

b. Secretarial Auditors

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Shareholders of the Company at their 42nd Annual General Meeting held 30th September 2025, appointed Mr. Ashish Kumar Gaggar, Pracitcing Company Secretary (FCS: 6687, COP:7321), as the Secretarial Auditor of the Company for a period of five (5) years with effect from 1st April 2025.

The Secretarial Auditor has carried out audit and issued Audit Report with unmodified opinion for the financial year ended March 31, 2026, which is self-explanatory and therefore do not call for any further comments. The Secretarial Audit Report is attached as **Annexure – 4** to this Boards Report.

The Secretarial Auditor in terms of Regulation 24A of the Listing Regulations, has issued the Annual Secretarial Compliance Report which was submitted to the Stock Exchanges within the statutory timeline.

Mr. Ashish Kumar Gaggar has confirmed that he is not disqualified from continuing as the Secretarial Auditors of the Company and satisfies the prescribed eligibility criteria

The Company does not have any material unlisted subsidiary company as on March 31, 2026; hence Secretarial Audit of such Subsidiary Companies is not applicable.

During the year under review there were no instances of fraud reported by the Secretarial Auditor.

c. Cost Audit

Pursuant to Section 148 of the Act read with the Cost (Records and Audit) Rules, 2014, based on export criteria mentioned in the said rules, Cost Audit is not applicable to the Company for the FY2025-26. The Company is maintaining cost records as specified in Section 148(1) of the Act.

d. Internal Auditors

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. Agarwal and Ladda, Chartered Accountants, as the Internal Auditors of the Company. The Internal Auditors are submitting their reports on quarterly basis to the Audit Committee and Board of Directors of the Company.

During the year under review there were no instances of fraud reported by the Internal Auditor.

20. VIGIL MECHANISM:

The Company has formulated and implemented Vigil Mechanism/ Whistle Blower Policy to report concerns. The policy can be accessed on the Company's website on https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf. A dedicated email is provided for reporting concerns under the policy. Also, the stakeholders can submit their concerns in writing by post or courier to the Ombudsman appointed under the said policy.

21. RISK MANAGEMENT POLICY:

The Company has formulated and implemented a Risk Management Policy which can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/03/Risk-Management-Policy-1.pdf.

The details of the Risk Management Committee of the Board are provided in the Corporate Governance Report which forms part of this Annual Report.

22. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIALS STATEMENTS:

The Company has in place adequate internal financial controls commensurate with the nature and size of business and operations of the Company.

23. CORPORATE GOVERNANCE:

Pursuant to Regulation 34 of the Listing Regulations a detailed report on Corporate Governance together with Secretarial Auditor's Certificate certifying the compliance of conditions of Corporate Governance forms part of this Annual report.

24. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis report is available and forms part of this Annual Report.

25. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34 of the Listing Regulations the Business Responsibility and Sustainability Report detailing the various initiatives taken by the Company on the Environmental, Social and Governance form part of this Annual report and accessible on the Company's website at https://azad.in/company-announcements/ .

26. 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 attached as **Annexure – 5** to this Boards Report.

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

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

28. PARTICULARS OF REMUNERATION TO EMPLOYEES:

The information required under to disclosed pursuant to Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as **Annexure – 6** to this Boards Report. The details of employees posted and working outside India in receipt of a remuneration of ₹60 Lakhs or more per annum or ₹5 Lakh or more a month are excluded from the report and such details are available to any shareholder for inspection at the registered office of the Company or through electronic mode, during the business hours on working days up to the date of forthcoming 43rd Annual General Meeting of the Company. Any shareholder access the aforesaid information by writing to the Company Secretary.

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

The Company has formulated and implemented a policy for prevention, prohibition and redressal of sexual harassment of women at workplace. The policy can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/08/POSH_Policy_Revised.pdf . The Company has constituted an Internal Committee in compliance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year under review, following is the status of complaints.

Number of Complaints pending as on April 1, 2025: Nil

Number of Complaints received during the FY2025-26: Nil

Number of Complaints disposed of during the FY2025-26: Not applicable

Number of Complaints pending as on March 31, 2026: Nil

30. ANNUAL RETURN:

The Annual Return of the Company as on March 31, 2026, is available and can be accessed on Company's website at https://azad.in/quarterly-financial-results/#annual-return

31. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

During the FY2025-26 the Company was not required to credit any amount to the Investor Education and Protection Fund constituted under Section 125(1) of the Act.

32. MATERNITY BENEFIT

The Company has complied with the Maternity Benefit Act, 1961/ the Code on Social Security, 2020.

33. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

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

34. OTHER DISCLOSURES

a. Disclosure of any One-Time Settlement

During the year under review, the Company had not entered any settlement with Banks or Financial Institution.

b. Disclosure under the Insolvency and Bankruptcy Code, 2016 ("Code")

Neither the Company nor any applicant has filed any application under the Code. Hence the requirement to disclose the details and status of any application filed or proceedings pending under the Code for the period under review is not applicable.

35. 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	**Vishnu Malpani**
Date: May 15, 2026	Chairman and CEO	Whole-Time Director
Place: Hyderabad	DIN: 01795599	DIN: 10307319

Annexure – 1

FORM AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A – Subsidiaries

All amounts in Millions except share capital and where otherwise stated

CIN	U2590TS2024PTC183898	U27900TS2024PTC184438
Name of the Subsidiary	**Azad VTC Private Limited**	**Azad Prime Private Limited**
Date of Incorporation/ acquisition	March 29, 2024	April 12, 2024
Reporting period for the subsidiary	31.03.2026	31.03.2026
Reporting Currency	₹	₹
Exchange Rate	1	1
Share Capital	0.20	0.20
Reserves and Surplus	12.15	(17.75)
Total Assets	122.47	226.94
Total Liabilities	122.47	226.94
Investments	-	-
Turnover	104.30	83.07
Profit/(Loss) before taxation	20.87	(2.69)
Provision for taxation	4.19	-
Profit after taxation	16.68	(2.69)
Proposed Dividend	0	0
Extent of shareholding (in %)	50.99%	50.99%

Note:

1. There are no subsidiaries of the Company which are yet to Commence Operations.
2. There are no subsidiaries of the Company which have been Liquidated or Sold during the Year.
3. Company has no Associate or Joint Venture Companies and there were no Associate or Joint Venture Companies which are yet to commence operations or have been liquidated or sold during the period under review.

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Whole-time Director
DIN: 10307319

Ronak Jajoo
Chief Financial Officer

G. Praneeth Abhishek
Company Secretary, Compliance Officer and Head Legal
Membership No.: ACS35583

Date: May 15, 2026
Place: Hyderabad

Annexure – 2

Disclosures in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014]

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments issued in that regard from time to time: **Not Applicable. As of March 31, 2026 the Company has not granted any options to the eligible employees under the Scheme.**

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard (IND AS) 33- Earning per share' (Erstwhile 'Accounting Standard 20 - Earnings Per Share') issued by Central Government or any other relevant accounting standards as issued from time to time: **Not Applicable. As of March 31, 2026, the Company has not granted any options to the eligible employees under the Scheme.**

C	**Details related to the Scheme:**	
a)	Date of shareholders' approval	28th January 2025
b)	Total number of options approved under the Scheme	11,82,259
c)	Vesting requirements	There shall be a minimum period of one year between the Grant Date of an Option and the date on which such Option Vests (Minimum Vesting Period) unless a longer period is prescribed by the Committee in the Letter of Grant. Subject to the Vesting Conditions and the other terms and conditions of the Scheme, the Options granted to an Option Grantee would, unless otherwise set out in the Employee Stock Option Agreement, Vest over a period of 4 years such that 25% of the Options granted shall Vest on the expiry of the Minimum Vesting Period and the remaining Options granted to the Option Grantee shall Vest over the immediately following 3 years in equal annual instalments. Notwithstanding the foregoing, in the event that Options are granted by the Company under this Scheme in lieu of options held by the same person under an employee stock option plan in another company, which has merged or amalgamated with the Company, the period during which the options granted by the merging or amalgamating company were held by such person shall be adjusted against the Minimum Vesting Period.
d)	Exercise price or pricing formula	Exercise Price means the price per Vested Option, determined by the NRC, which shall be set out in the Employee Stock Option Agreement and the Letter of Grant that is payable by an Option Grantee at the time of Exercise
e)	Maximum term of options granted	5 Years
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	**Not Applicable.**
h)	Method used to account for Scheme-Intrinsic or fair value	Fair Value

i) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	**As of March 31, 2026 the Company has not granted any options to the eligible employees under the Scheme.**
j) Option movement during the year: (i) Number of options outstanding at the beginning of the period (ii) Number of options granted during the year (iii) Number of options forfeited / lapsed during the year (iv) Number of options vested during the year (v) Number of options exercised during the year (vi) Number of shares arising as a result of exercise of options (vii) Money realized by exercise of options (INR), if scheme is implemented directly by the company (viii) Loan repaid by the Trust during the year from exercise price received (ix) Number of options outstanding at the end of the year (x) Number of options exercisable at the end of the year	**NIL - As of March 31, 2026 the Company has not granted any options to the eligible employees under the Scheme.**

k) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: **Not Applicable. As of March 31, 2026, the Company has not granted any options to the eligible employees under the Scheme.**

l) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to :

Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	**Not Applicable. As of March 31, 2026 the Company has not granted any options to the eligible employees under the Scheme.**
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

m) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information –

The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	**Not Applicable. As of March 31, 2026 the Company has not granted any options to the eligible employees under the Scheme.**
The method used and the assumptions made to incorporate the effects of expected early exercise;	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	

Disclosures in respect of grants made three years prior to IPO under each scheme: **Not Applicable**

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: May 15, 2026	Chairman & CEO	Whole-time Director
Place: Hyderabad	DIN: 01795599	DIN: 10307319

AZAD

Annexure – 3

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]

1. Brief outline on the CSR Policy of the Company

The Company's CSR philosophy is centred on creating long-term and measurable social impact by promoting education as a primary area of intervention and by supporting holistic community development initiatives. The Company aims to implement its CSR initiatives in an inclusive, transparent, and sustainable manner.

2. Composition of CSR Committee

Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Rakesh Chopdar	Chairman of Committee and Chairperson and CEO of the Company	2	2
Mr. Michael Joseph Booth	Member of Committee and Independent Director of the Company	2	2
Mr. Murali Krishna Bhupatiraju	Member of Committee and Managing Director of the Company	2	0
Mr. Vishnu Malpani	Member of Committee and Wholetime Director of the Company	2	2

3. 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.

Particulars	Web-link
Composition of CSR Committee	https://azad.in/corporate-social-responsibility-committee/
CSR Policy	https://azad.in/wp-content/uploads/2026/03/CSR-Policy.pdf
CSR Projects	https://azad.in/corporate-social-responsibility/

4. 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, Not Applicable.

5. ₹ in Millions

a. Average net profit of the Company as per Section 135(5) of the Companies Act 2013.	700.50
b. Two percent of average net profit of the Company as per Section 135(5) of the Act.	14.01
c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0
d. Amount required to be set-off for the financial year, if any.	0
Total CSR obligation for the financial year [(b)+(c)-(d)].	**14.01**

6. ₹ in Millions

a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	14.01
b.	Amount spent in administrative overheads.	0
c.	Amount spent on Impact Assessment, if applicable.	Not Applicable
d.	Total amount spent for the Financial Year (a+b+c)	14.01
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 section 135(6) of Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act.		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
Not Applicable					

f.	Excess Amount for set-off, if any	
i.	Two percent of average net profit of the company as per Section 135(5) of the Act.	14.01
ii.	Total amount spent for the Financial Year.	14.01
iii.	Excess amount spent for the Financial Year (ii-i).	0
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any.	0
v.	Amount available for set off in succeeding Financial Years (iii-iv).	0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: 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)	Pin-code 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
NA							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: NA

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Whole-time Director
DIN: 10307319

Date: May 15, 2026
Place: Hyderabad

Annexure – 4

Secretarial Audit Report

To
The Members
AZAD ENGINEERING LIMITED
90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad,
Telangana, India, 500055

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.

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

Ashish Kumar Gaggar

Company Secretary in Practice
FCS : 6687
CP No. : 7321
PR : 6795/2025
UDIN : F006687H000391104
Date : 15th May 2026
Place : Hyderabad

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

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

To,
The Members,
AZAD ENGINEERING LIMITED
90/C,90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad,
Telangana, India, 500055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "AZAD ENGINEERING LIMITED" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2026 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on 31st March 2026 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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;

  (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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

  (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not Applicable as there was no reportable event during the period under review];**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not Applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review];**

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not Applicable as there was no reportable event during the period under review];**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not Applicable as there was no reportable event during the period under review];**

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

(vi) The Industry Specific Acts, Labour and other applicable laws as provided by the management of the company:

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

ii. The listing agreements entered into by the company with BSE Limited and National Stock Exchange of India Limited (NSE) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.

I further report that based on the information provided and the representation made by the Company, taken on record by the Board of Directors of the Company, in my opinion 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.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

Ashish Kumar Gaggar

Company Secretary in Practice
FCS : 6687
CP No. : 7321
PR : 6795/2025
UDIN : F006687H000391104
Date : 15th May 2026
Place : Hyderabad

Annexure – 5

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

(A) Conservation of Energy:

The steps taken or impact on conservation of energy.	Efforts are taken to conserve energy to the best possible extent.
The steps taken by the Company for utilizing alternate source of energy.	
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. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
4. Expenditure incurred on research and development.	NIL

(B) Foreign Exchange Earnings and Outgo

1. Foreign Exchange Earnings in terms of actual inflow during the year	₹5,399.74 Million
2. Foreign Exchange outgo in terms of actual outflows	₹4,025.7 Million

Annexure – 6

Information Required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Part A: Remuneration of Directors and KMP

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the FY2025-26 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY2025-26.

SL No	Name of Director/KMP and Designation	Remuneration of Director for FY2025-26 (In millions)	Ratio of remuneration of director to the Median remuneration	% increase in remuneration in the financial year
1	Mr. Rakesh Chopdar, Whole-time Director and Chairman & CEO	48.00	166.34	Nil
2	Mr. Vishnu Malpani, Whole-time Director	7.20	24.96	Nil
3	Mrs. Jyoti Chopdar, Whole-time Director	12.00	41.58	Nil
4	Mr. Murali Krishna Bhupatiraju, Managing Director (w.e.f January 03, 2025)	16.71	57.91	Nil
	Key Managerial Personnel			
1	Ronak Jajoo, Chief Financial Officer	5.54	Not applicable	Nil
2	Ful Kumar Guatam, Company Secretary and Compliance Officer, till 28.11.2025	2.56	Not applicable	15
3	Gunda Praneeth Abhishek (Company Secretary, Compliance Officer and Head Legal w.e.f 29.11.2025)	1.03	Not applicable	Not applicable

Notes - The information provided above is on a standalone basis and is calculated based on remuneration for the financial year 2025-26.

2. The median remuneration of the Company for all its employees is ₹0.3 Million/- for the FY2025-26.

3. There has no been no increase in the median remuneration of employees in the financial year. The median remuneration remained same as ₹0.3 Million previous financial year.

4. The number of permanent employees on the rolls of company: 2168

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The aggregate remuneration of employees excluding managerial personnel grew by 47.52% over the previous financial year. The aggregate remuneration for KMPs grew by 9.71% over the previous financial year. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per industry benchmarks. There was no exceptional circumstance or increase for managerial personnel in the last financial year. The reason for the increase in aggregate remuneration of KMPs during the year under review compared to previous year is as under:

   A. Mr. Murali Krishna Bhupatiraju, was appointed as Managing Director with effect from January 3, 2025, and received remuneration only for that part of the year in FY 2024-25.

5. 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.

Part B – Details of Employees posted in India as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Name	Designation	Educational Qualification	Age	Experience	Date of Joining	Gross Remuneration Paid ₹ in Millions	Previous Employment
Saravanan Krishnan	Chief Business Officer	Bachelor of Engineering, Mechanical Engineering	46	24 years	14/11/2025	4.63	Raghu Vamsi Aerospace Private Limited

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Vishnu Malpani
Whole-time Director
DIN: 10307319

Date: May 15, 2026
Place: Hyderabad

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as Listing Regulations), and the report contains details of Corporate Governance systems at Azad Engineering Limited ("the Company").

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

Corporate Governance encompasses the framework of systems and processes through which the Company is directed and controlled, ensuring alignment of management actions with the interests of all stakeholders. It promotes fairness, transparency and accountability across operations.

Azad Engineering Limited has established robust structures and processes to uphold these principles. The Company remains committed to high standards of transparency, accountability and integrity, supported by clearly defined roles, delegation frameworks and effective reporting mechanisms. These measures reinforce oversight and responsible management, and support sustainable long-term value creation.

The Company's governance framework is further strengthened through key policies, including the Code of Conduct for Board of Directors and Senior Management Personnel, the Code of Conduct for Prevention of Insider Trading, and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company believes that effective Corporate Governance enhances stakeholder confidence and remains committed to ensuring compliance with applicable requirements. The details of these measures are set out in this section.

The Company complies with the corporate governance norms prescribed in the Listing Regulations.

2. BOARD OF DIRECTORS

a. Composition and Category of Directors:

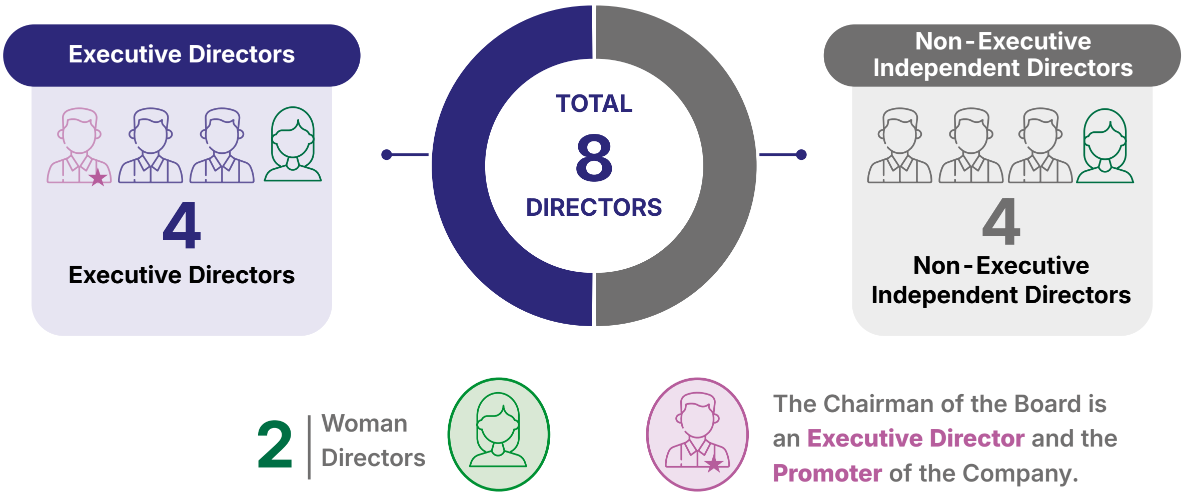
The Company has a diverse, active, experienced and professional Board which provides leadership, effective oversight and strategic guidance for achieving long term corporate goals, sustainable growth of the Company and enchancing the stakeholders value. The Board has appropriate balance of skills, experience and expertise across areas such as manufacturing, finance, economics, law, governance, and environment and social governace which enables it to discharge its fiducariry responsibilities effectively.

As on March 31, 2026, the Board comprised of eight (8) Directors (including two Women Directors), of which four (4) were Executive Directors and four (4) were Non-Executive Independent Directors. The Chairman of it is an Executive Director and the Promoter of the Company.

None of the Directors has been disqualified or debarred from being appointed or continuing as Director of the Company under the Companies Act 2013 or Listing Regulations. Pursuant to Section 149(6) of the Act, and regulation 16(1)(b) of Listing Regulations, the Independent Directors have confirmed that they meet criteria of Independence and they are not aware of any circumstances or instances which exists, which could impaire or impact Independnace or their ability to discharge their duties. Based on these declarations, the Board is of the opinion that the Independent Directors meet the criteria of Independence and the conditions under Listing Regulations and they are independent from the management. During the FY2025-26, no Independent Director resigned from the Board of the Company.

BOARD OF DIRECTORS

The Board comprised of eight (8) Directors (including two Women Directors)



Overview of the Board of Directors

Category of Directors	Name of the Directors	Designation	Date of Joining	Relationships between Directors inter-se	No. of shares/ convertible instruments held in the Company
Promoter/ Promoter Group - Executive Directors	Rakesh Chopdar (DIN: 01795599)	Executive Chairman and Chief Executive Officer	14/08/2003	Spouse of Jyoti Chopdar	3,54,44,988 Equity Shares
	Jyoti Chopdar (DIN: 03132157)	Whole-Time Director	01/07/2014	Spouse of Rakesh Chopdar	4,41,300 Equity Shares
Non-Promoter/ Promoter Group - Executive Directors	Murali Krishna Bhupatiraju (DIN: 10883843)	Managing Director	03/01/2025	Not Related to other Directors	0
	Vishnu Malpani (DIN: 10307319)	Whole-Time Director	13/09/2023	Not Related to other Directors	99,103 Equity Shares
Non-Executive Independent Directors	Michael Joseph Booth (DIN: 10309295)	Independent Director	12/09/2023	Not Related to other Directors	0
	Subba Rao Ambati (DIN: 01722940)	Independent Director	24/09/2023	Not Related to other Directors	0
	Madhushree Vemuru (DIN: 10304579)	Independent Director	12/09/2023	Not Related to other Directors	0
	Deepak Kabra (DIN: 10878892)	Independent Director	03/01/2025	Not Related to other Directors	0

b. Other Directorships of the Directors

Name of the Directors	Number of other Directorships / Committee Memberships / Chairpersonships			Listed Companies	
	(#) Other Directorship	Committee (*)		Names of the Other Listed Companies	Category of Directorship in such Listed Companies
		Membership of other Companies	Chairpersonship		
Rakesh Chopdar	5	-	-	-	-
Jyoti Chopdar	8	-	-	-	-
Murali Krishna Bhupatiraju	-	-	-	-	-
Vishnu Malpani	-	-	-	-	-
Madhusree Vemuru	-	-	-	-	-
Subba Rao Ambati	1	-	-	-	-
Michael Joseph Booth	-	-	-	-	-
Deepak Kabra	2	2	1	-	-

(*) Committee refers to Audit Committee and Stakeholders' Relationship Committee only of other Companies, whether listed or not.

(#) Other Directorship excludes Directorships in Foreign Companies and in our Company.

c. Board Meetings and attendance

During the financial year 2025-26, 11 Board Meetings were held and the gap between any two consecutive meetings did not exceed 120 days. Video conference facility was provided to the Directors who were unable to attend the meeting physically, to facilitate them in attending the meetings. Requisite quorum was present for the meetings.

The details of the meetings and attendance of Directors thereat is provided below.

Name of Director	2025							2026				No. of meetings entitled to attend	No. of meetings attended
	11 Apr	23 May	4 Aug	8 Sept	1 Nov	29 Nov	15 Dec	13 Feb	3 Mar	18 Mar	30 Mar		
Rakesh Chopdar	✓	✓	✓	✓	✓	✓	×	×	✓	✓	✓	11	9
Jyoti Chopdar	×	×	✓	✓	×	×	×	×	×	×	×	11	2
Murali Krishna Bhupatiraju	✓	✓	✓	✓	✓	✓	✓	×	×	×	×	11	7
Vishnu Malpani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Madhusree Vemuru	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	11	10
Subba Rao Ambati	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Michael Joseph Booth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Deepak Kabra	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	11	10

During the FY2025-26, one meeting of the Independent Directors was held on March 30, 2026, which was attended by all the Independent Directors of the Company.

All the Directors attended the 42nd Annual General Meeting of the Company held on September 30, 2025.

d. Familiarisation Programme

A newly appointed Independent Director is provided with an appointment letter along with an induction kit which *inter alia* contains information such as their roles, duties and responsibilities, the Company's Code of Conduct for Directors, organisation structure and policies of the Company, Memorandum and Articles of Association of the Company. Each newly appointed Independent Director is taken through an induction and familiarisation programme including the presentation and interactive session with the CEO, Executive Director, other Functional Heads of the Company's manufacturing, marketing and other important functions. The programme also includes visit to the manufacturing units of the Company to familiarise them with all facets of manufacturing.

The Board is also updated with the latest regulatory changes and developments affecting the Company and the Industry through presentations at the meetings, email updates and meetings with the Senior Management.

Details of the Familiarization Programme imparted to Independent Directors have been disclosed on the website of the Company which can be accessed at The same can be viewed at https://azad.in/wp-content/uploads/2024/02/ID-Familiarization-Programme.pdf

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

The Directors of the Company have appropriate mix of skills, industry experience, background, culture, and diversity of perspectives which enhance decision making, strengthen corporate governance and support Company's long-term strategic objectives.

The skills/expertise/ competence of the Board of Directors are detailed below.

Core Expertise, Working Knowledge and not a primary skil

Name of Director	Leadership	Industry Domain Knowledge	Strategy	Finance and Accounts	Legal and Compliance	General Management	Sust-ainability and ESG	Human Resource	Corporate Governance
Rakesh Chopdar	✓	✓	✓		✓	✓			✓
Murali Krishna Bhupatiraju	✓	✓	✓	✓	✓	✓			✓
Jyoti Chopdar	✓					✓			✓
Vishnu Malpani	✓	✓	✓	✓		✓	✓	✓	✓
Michael Booth	✓	✓	✓			✓			✓
Subba Rao A	✓					✓			✓
Madhusree Vemuru	✓			✓	✓	✓	✓	✓	✓
Deepak Kabra	✓			✓	✓	✓			✓

3. COMMITTEES OF THE BOARD

There are five committees constituted by the Board in line with the requirements of the Act and the Listing Regulations. The details of the Committees are provided in the following sections.

The terms of reference of these Committees are approved by the Board and are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The recommendations of the Committees are tabled before the Board During the FY2025-26 all the recommendations of the Committees had been accepted by the Board.

A. Audit Committee

The Audit Committee is constituted in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

The details of composition of Audit Committee, categories of Directors, the number of meetings held during the FY2025-26 and attendance of members thereof are provided below. Mr. Deepak Kabra was appointed as member of the Committee with effect from May 23, 2025.

Name of the Director	Category of Director	Meeting Dates					No. of meetings entitled to attend	No. of meetings attended
		2025				2026		
		May 23	Aug 4	Sep 8	Nov 1	Feb 13		
Madhusree Vemuru	Independent Director and Chairperson of Committee	✓	✓	✓	×	✓	5	4
Michael Booth	Independent Director and Member of Committee	✓	✓	✓	✓	✓	5	5
Deepak Kabra	Independent Director and Member of Committee	-	✓	✓	✓	✓	4	4
Vishnu Malpani	Whole-Time Director and Member of Committee	✓	✓	✓	✓	✓	5	5

All the members of the Committee are financially literate. The gap between two meetings did not exceed 120 days and quorum was present at all meetings. Further, all the members of the Audit Committee were present at the 42nd Annual General Meeting of the Company held on September 30, 2025. Chief Executive Officer and Chief Financial Officer are permanent invitees to all meetings of Audit Committee. The Statutory Auditors and Internal Auditors are invitees to the meeting of Audit Committee wherein their reports are considered.

Extract of Terms of Reference of the Audit Committee is as follows.

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, remuneration and terms of appointment of auditors.

c. approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d. reviewing, with the management, inter alia the annual financial statements and auditor's report thereon, director's responsibility statement in the boards report, before submission to the board for approval.

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, inter alia the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), 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. approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval.

i. scrutiny of inter-corporate loans and investments.

j. evaluation of internal financial controls and risk management systems.

k. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

l. 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.

m. discussion with internal auditors of any significant findings and follow up there on.

n. to review the functioning of the whistle blower mechanism.

o. 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.

The detailed terms of reference of the Audit Committee is available on the Company's website at https://azad.in/wp-content/uploads/2024/02/ARCC_Charter-1.pdf

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The details of composition of Nomination and Remuneration Committee, category of Directors, the number of Meetings held during the FY2025-26 and attendance thereof are provided below. Mr. Deepak Kabra was appointed as member of the Committee with effect from May 23, 2025.

Name of the Director	Category of Director	Meeting Dates						No. of meetings entitled to attend	No. of meetings attended
		2025					2026		
		May 23	Jul 11	Aug 5	Sep 8	Nov 29	Feb 13		
Michael Booth	Independent Director and Chairman of Committee	✓	✓	✓	✓	✓	✓	6	6
Subba Rao Ambati	Independent Director and Member of Committee	✓	✓	✓	✓	✓	✓	6	6
Madhusree Vemur	Independent Director and Member of Committee	✓	✓	✓	✓	✓	✓	6	6
Deepak Kabra	Independent Director and Member of Committee	-	✓	✓	✓	✓	✓	5	5

Quorum was present at all meetings. Further, all the members of the Nomination and Remuneration Committee were present at the 42nd Annual General Meeting of the Company held on September 30, 2025.

Extract of Terms of Reference of the Nomination and Remuneration Committee is as follows.

a. 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.

b. 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.

c. devising a policy on diversity of Board.

d. 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.

e. extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

f. recommend to the Board, all remuneration, in whatever form, payable to senior management.

g. oversee administration and implementation of ESOP Scheme.

The detailed terms of reference of the Nomination and Remuneration Committee can be accessed on the Company's website at https://azad.in/wp-content/uploads/2024/02/NRC_Charter.pdf

The Nomination and Remuneration Policy of the Company can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/05/NRC-Policy.pdf

Board Evaluation

In accordance with the Act and Regulation 17(10) of the Listing Regulations, annual performance evaluation of the Board, its Committees and individual directors for the financial year 2025-26 have been carried out.

Criteria for performance evaluation

The criteria for performance evaluation for the Board, its Committees and individual Directors were identified by the Nomination and Remuneration Committee. An indicative brief list of criteria is provided below.

Board: Composition, quality and diversity, skills, independence, ethical standards and integrity, involvement and preparedness for meetings, meetings and procedures, facilities for meetings, adequacy of agenda, information for meetings, monitoring of compliances, performance evaluation, learning and development, timely flow of information, succession planning, compliance, strategic plan, induction program and training.

Committees: Structure and composition of Committees, attendance and participation of member of the Committees, fulfillment of the functions assigned to Committees by the Board and applicable regulatory framework, adequacy of time allocated at the Committee Meetings to fulfill duties assigned to it, adequacy and timeliness of the Agenda and Minutes circulated, comprehensiveness of the discussions, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

Independent Directors: Attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, ability to maintain independence, etc. Performance Evaluation indicators for Independent Directors include contributing to and monitoring Corporate Governance Practices, introduce International Best Practices to address business challenges and risks and participation in long term strategic planning.

Executive Directors: Integrity, fairness and transparency demonstrated, identification of strategic targets, anticipation of future demands and opportunities, resource staffing to meet short term and long term goals, engagement with Board members, updating Board on significant issues, commitment to organizational values, vision and mission, adaptation to meet changing circumstances, knowledge and sensitivity of stakeholders' needs within and outside the Company.

Chairman: Leadership, effective engagement with other Board members during and outside the meetings, allocation of time provided to other Board members at the meetings, effective engagement with shareholders during general meetings, etc.

Board Evaluation Process

The Board evaluation was carried out internally through anonymous questionnaire-based assessment/ feedback where all the Directors provided their responses. The responses received were collated, summarized and anonymously presented to the Board of Directors. The Independent Directors at their separate meeting, *inter alia,* evaluated the performance of the Non-Independent Directors, the Board as a Whole, and the Chairman of the Company, considering the responses of the Executive and Non-Executive Directors. The Board evaluated the performance of the Board of Directors, its Committees and the Individual Directors based on the feedback of Directors.

Remuneration to Directors

The Company has formulated a policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company which can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/05/NRC-Policy.pdfThe Nomination and Remuneration Committee recommends to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

Independent Non-Executive Directors: The Independent Directors are entitled to sitting fee for attending the meeting of the Board/ Committee. No commission on profits is payable to the Independent Directors.

The details of remuneration paid to Non-Executive Directors for the FY2025-26 and pecuniary relationship/ transactions.

(₹ In millions)

Name of Director	Sitting Fees	Reimbursement of expenses	Total
Mrs. Madhusree Vemuru	1.06	0.22	1.28
Mr. Subba Rao Ambati	1.05	0.15	1.20
Mr. Michael Joseph Booth	1.26	0.93	2.19
Mr. Deepak Kabra	0.99	0.81	1.80

The details of payment to Executive Director for the FY025-26 are as under:

(₹ In millions)

Name of Director	Remuneration (Salary, Perquisites & Incentives)	Total
Mr. Rakesh Chopdar	48.00	48.00
Mrs. Jyoti Chopdar	12.00	12.00
Mr. Vishnu Malpani	7.20	7.20
Mr. Murali Krishna Bhupatiraju	16.71	16.71

The remuneration to the Executive Directors is in accordance with remuneration approved by the Shareholders. No performance linked incentives were paid to any of the Directors during FY2025-26.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in compliance with Section 178 of the Act and Regulation 20 of the Listing Regulations.

The composition of the Stakeholders' Relationship committee is as follows:

Name of the Director	Category of Director
Subba Rao Ambati	Independent Director and Chairman of Committee
Rakesh Chopdar	Executive Chairman and CEO and Member of Committee
Murali Krishna Bhupatiraju	Managing Director and Member of Committee
Vishnu Malpani	Whole-Time Director and Member of Committee

Mr. Murali Krishna Bhupatiraju was appointed as the Member of the Stakeholders Relationship Committee with effect from May 23, 2025. The Stakeholders' Relationship Committee met once during the FY2025-26 on May 23, 2025, and all the members were present at the meeting. Mr. Murali Krishna Bhupatiraju was not entitled to attend the May 23, 2025, meeting. All the members of the Stakeholders' Relationship Committee were present at the 42nd Annual General Meeting of the Company held on September 30, 2025.

Extract of Terms of Reference of the Stakeholders' Relationship Committee is as follows.

a. 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.

b. Review of measures taken for the effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. 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.

e. 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.

The detailed terms of reference of the Stakeholders' Relationship Committee can be accessed on the Company's website at https://azad.in/wp-content/uploads/2024/02/SRC_Charter.pdf

Compliance Officer

Mr. G. Praneeth Abhishek, Company Secretary and Head Legal is the Compliance Officer of the Company appointed by the Board of Directors in terms of Listing Regulations with effect from November 29, 2025. Mr. G. Praneeth Abhishek is also the Nodal Officer of the Company for the purpose of Investor Education and Protection Fund ("IEPF"). Prior to November 29, 2025, Mr. Ful Kumar Gautam was the Company Secretary and Compliance Officer of the Company. He resigned as such with effect from November 28, 2025.

The Compliance Officer can be reached at:

G. Praneeth Abhishek
Company Secretary, Compliance Officer and Head Legal
Azad Engineering Limited
90/C, 90/D, 90/E, Phase-1, I.D.A Jeedimetla, Hyderabad- 500055
Tel: 040-23097007

Details of investor complaints

Particulars	No. of Complaints
Pending as on March 31, 2024	0
Received during the FY2025-26	1
Resolved during the FY2025-26	1
Pending as on March 31, 2025	0
All complaints are resolved to the satisfaction of the shareholder	

D. Risk Management Committee

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

The details of composition of Risk Management Committee, categories of Directors, the number of Meetings held during the FY2025-26 and attendance of members thereof are provided below. Mr. Deepak Kabra and Mr. Subba Rao Ambati were appointed as member of the Committee with effect from May 23, 2025, and Mr. Michael Booth ceased to be a member of the Committee with effect from May 23, 2025.

Name of the Director	Category of Director	Meeting Dates		No. of meetings entitled to attend	No. of meetings attended
		May 23, 2025	Dec 18, 2025		
Madhusree Vemuru	Independent Director and Chairperson of Committee	✓	✓	2	2
Michael Booth	Independent Director and Chairman of Committee	✓	-	1	1
Subba Rao Ambati	Independent Director and Member of Committee	-	✓	1	1
Deepak Kabra	Independent Director and Member of Committee	-	✓	1	1

Quorum was present at all meetings. The gap between two meetings did not exceed 210 days. Further, all the members of the Risk Management Committee were present at the 42nd Annual General Meeting of the Company held on September 30, 2025.

Extract of Terms of Reference of the Risk Management Committee is as follows.

a. To formulate a detailed risk management policy.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

The Company has formulated and implemented Risk Management Policy which can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/03/Risk-Management-Policy-1.pdf

E. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted in compliance with Section 135 of the Act.

The details of composition of Corporate Social Responsibility Committee, categories of Directors, the number of Meetings held during the FY2025-26 and attendance of members thereof are provided below. Mr. Murali Krishna Bhupatiraju was appointed as member of the Committee with effect from May 23, 2025.

Name of the Director	Category of Director	Meeting Dates		No. of meetings entitled to attend	No. of meetings attended
		February 2, 2026	March 18, 2026		
Rakesh Chopdar	Executive Chairman and CEO and Chairman of the Committee	✓	✓	2	2
Michael Booth	Independent Director and Member of Committee	✓	✓	2	2
Murali Krishna Bhupatiraju	Managing Director and Member of Committee	-	-	2	0
Vishnu Malpani	Whole-Time Director and Member of Committee	✓	✓	2	2

Quorum was present at all meetings. Further, all the members of the Corporate Social Responsibility Committee were present at the 42nd Annual General Meeting of the Company held on September 30, 2025.

Extract of Terms of Reference of the Corporate Social Responsibility Committee is as follows.

a. Recommend to the Board a Corporate Social Responsibility Policy.

b. Identify projects to be carried out for Corporate Social Responsibility including Annual Action Plan and Budget and recommending the same to the Board.

c. Monitor the implementation of Corporate Social Responsibility Projects.

4. SENIOR MANAGEMENT PERSONNEL

The details of Senior Management Personnel of the Company and any changes during the FY2025-26 are provided below.

Sl. No.	Name	Designation	Changes during the financial year
1	Ronak Jajoo	Chief Financial Officer	No Change
2	Ful Kumar Guatam	Company Secretary and Compliance Officer	Resigned with effect from November 28, 2025
3	G. Praneeth Abhishek	Company Secretary, Compliance Officer and Head Legal	Appointed with effect from November 29, 2025

Sl. No.	Name	Designation	Changes during the financial year
4	Sarvanan Krishnan	Chief Business Officer	Appointed with effect from November 14, 2025
5	Ashok Gentyala	Head – Engineering & Operations	No Change
6	Atin Agarwal	Head – IT & Analytics	No Change
7	Balaji P.R.	Head – Business Growth	No Change
8	Dinesh J. Shetty	Head – Supply Chain	No Change
9	Matthew R. Childs	Head – Program Management	No Change
10	Nitin Kumar	Business Head – Aero Engines	Ceased to hold office with effect from February 14, 2026, following his sudden demise.
11	Silpa Kanaka Bellamkonda	Head – Quality Management Systems	No Change
12	Sridhar G.	Business Head – Oil & Gas	No Change
13	Upendra Tummala	Head – Business Excellence	Appointed with effect from April 2, 2025
14	Kumaravel Padavettan	Executive General Manager – Operations	Resigned with effect from November 8, 2025
15	Shalideen S	Executive General Manager – Projects	Resigned with effect from October 10, 2025

5. GENERAL BODY MEETINGS

A. General Meetings

The details of date, time and location of last three Annual General Meetings of the Company are as under:

Financial Year	Date and Time	Location	Details of Special Resolution passed
2024-25	September 30, 2025 04:00 P.M.	Meeting conducted through Video Conferencing ("VC")/ other Audio-Visual Means ("OAVM") pursuant to circulars issued by Ministry of Corporate Affairs, with Registered Office as deemed venue.	1. Approval for continuation of directorship of Mr. Michael J. Booth as Independent Director on the Board of the Company who would attain 75 years of age.
2023-24	September 27, 2024 03:00 P.M.		Nil
2022-23	September 26, 2023 10:30 A.M.		1. Amendment of the Articles of Association. 2. Appointment Mr. Subba Rao Ambati (DIN:01722940) as independent director (non-executive).

B. Extraordinary General Meeting

No Extraordinary General Meeting of the members were held during the financial year 2025-26.

C. Postal Ballot

During the financial year 2025-26 no special resolution was passed through postal ballot. Further no special resolution is proposed to be conducted through postal ballot.

6. MEANS OF COMMUNICATION

a. Quarterly Results

The Company's quarterly, half-yearly and annual financial results are duly submitted with Stock Exchanges and made accessible on the Company's website. Further, the financial results are also published in widely circulated national (English) newspaper such as Business Standard and in local vernancular (Telugu) newspaper such as Surya.

b. News releases, presentations etc.

The official news releases and presentations made to the institutional investors / analysts are submitted to the stock exchanges and made accessible on the Company's website at www.azad.in

c. Company Website

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

Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the Listing Regulations, 2015 and other applicable SEBI Regulations.

The Company's website is functional and contains all the information stipulated under Regulation 46 and other applicable regulations of the Listing Regulations, 2015.

7. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting (AGM):

Financial Year	Date	Time	Venue
2025-26	**September 29, 2026**	**2:30 PM**	Annual General Meeting is being conducted through Video Conferencing / Other Audio-Visual means 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.

B. Financial Calendar:

The Company's financial year begins on April 1 and ends of March 31.

The tentative calendar for declaration of financial results for the financial year 2026-27

For the Quarter ending	Tentative date
September 30, 2026	November 6, 2026
December 31, 2026	February 5, 2027
March 31, 2027	May 21, 2027

C. Dividend Payment Date:

The Board of Directors have not proposed any dividend for financial year ended March 31, 2026.

D. Listing on Stock Exchanges:

The Securities of the Company are listed on the following Stock Exchanges:

Class of Securities	Equity Shares
ISIN	**INE02IJ01035**
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India **Stock Code: AZAD**	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India **Stock Code: 544061**

Further, listing fee as applicable have been paid.

E. Registrar and Share Transfer Agents:

KFin Technologies Limited
301, The Centrium, 3rd Floor,
57, Lal Bahadur Shastri Road, Nav Pada,
Kurla (West), Mumbai – 400 070, Maharashtra, India.
Landline Number: +022 4617 0911; +91 40 7961 5565;
Email id: einward.ris@kfintech.com
Website: www.kfintech.com
Investor Support Centre Link: https://ris.kfintech.com/clientservices/isc/default.aspx
SEBI Registration No.: INR000000221

F. Distribution of Shareholding:

Sl. no.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	126490	99.81	7322358	11.34
2	5001 - 10000	96	0.08	665820	1.03
3	10001 - 20000	46	0.04	631396	0.98
4	20001 - 30000	26	0.02	622531	0.96
5	30001 - 40000	7	0.01	252385	0.39
6	40001 - 50000	9	0.01	407411	0.63
7	50001 - 100000	16	0.01	1194596	1.85
8	100001 & Above	44	0.04	53485246	82.82
	TOTAL:	**126734**	**100.00**	**64581743**	**100.00**

G. Shareholding Pattern as on March 31, 2026, is as under:

Category	No. of Holders	Total Shares	% To Equity
A) Promoter and Promoter Group			
Promoter	1	3,54,44,988	54.88
Promoter Group	7	6,19,252	0.96
A) Total Promoter and Promoter Group	**8**	**3,60,64,240**	**55.84**
B) Public Shareholders			
Resident Individuals	121413	94,58,699	5.48
Foreign Portfolio	85	95,26,522	14.75
Mutual Funds	12	65,79,430	10.19
Bodies Corporate	501	10,23,313	1.58
Non- Resident Indians	2258	5,87,007	0.90
H U F	2492	3,59,138	0.13
Alternative Investment Fund	11	2,18,641	0.33
Insurance Companies	1	4,79,896	0.74
Trusts	2	2,002	0.00
b) Total Public Shareholders	**1,26,775**	**2,85,17,503**	**44.16**
Grand Total (A+B)	**1,26,783**	**6,45,81,743**	**100.00**

The top ten shareholders of the Company as on March 31, 2026, are as under:

Sl. No	Name of Shareholders	Number of Shares	Percentage of Holding
1	Rakesh Chopdar	3,54,44,988	54.88
2	ICICI Prudential Flexicap Fund	31,92,719	4.94
3	Nomura India Investment Fund Mother Fund	14,42,096	2.23
4	Abu Dhabi Investment Authority	13,90,125	2.15
5	Axis Mutual Fund Trustee Limited A/C	9,65,576	1.49
6	Nomura Funds Ireland Public Limited Company	7,73,974	1.19
7	Whiteoak Capital Flexi Cap Fund	7,67,941	1.18
8	Kotak Mahindra Trustee Co Ltd A/C	7,03,000	1.08
9	Ashoka Whiteoak ICAV	5,74,673	0.88
10	Government Pension Fund Global	5,00,277	0.77

a. Dematerialization of shares and Liquidity:

All the shares of the company are in dematerialized form and are compulsorily traded in dematerialized form. The Company has arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

The status of shares in dematerialized form with the depositories as on March 31, 2026 is as under:

Particulars	No. of Shares	% to Total Share Capital
NSDL	2,34,53,173	36.32%
CDSL	4,11,28,570	63.68%
Total	**6,45,81,743**	**100.00 %**

b. 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, 2026.

c. 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 is beneficial and/or favourable.

d. Plant Locations:

As on March 31, 2026, the Company has six plants as detailed below:

1. 90/C, 90/D, 90/ E, Phase-I, I.D.A, Jeedimetla, Hyderabad-500 055, Telangana, India.
2. Plot No D42/43, Phase V, TSIIC, I.D.A, Jeedimetla Industrial Park, Quthbullapur Mandal, Hyderabad, Medchal Malkajgiri, Telangana-500 055, India
3. Plot No 63/A , Phase I, TSIIC I.D.A, Survey No 298, Jeedimetla village, Industrial Park, Quthbullapur Mandal, Hyderabad, Medchal Malkajgiri, Telangana-500 055, India
4. Plot No. 17/B, Pashamylaram, Isnapur, Sangareddy, Telangana-502 307, India
5. SY No. 340, Plot No 85 to 92 & 118 to 123, Industrial Park - Tuniki Bollaram, Siddipet, Telangana-502 279, India
6. Plot No 30 & 31 Phase 5, I.D.A, Jeedimetla, Hyderabad, Medchal Malkajgiri, Telangana-500 055, India

e. **Address for correspondence:**

Registered Office:
90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad, Telangana-500 055, India
Phone No.: 040-23097007
Website: www.azad.in
Email id: info@azad.in

Investor Grievance, IEPF and Annual Report queries
Mr. G. Praneeth Abhishek
Company Secretary, Compliance Officer and Head Legal and serves as Nodal Officer under the provisions of IEPF rules.
90/C, 90/D, Phase-I, I.D.A, Jeedimetla, Hyderabad, Telangana-500 055, India
Phone No.: 040-23097007
Email id: cs@azad.in

Investor / Analyst Queries
Email Id: ir@azad.in

Shareholder Queries
KFin Technologies Limited
Selenium Tower B
Plot No. 31–32, Gachibowli, Financial District
Nanakramguda, Hyderabad – 500 032
Email id: einward.ris@kfintech.com

f. **Credit Ratings:**

The details of Company's Credit ratings for the various facilities obtained from CARE Rating Agency during FY2025-26 is as follows:

Facilities /Instruments	Amount (₹ Crore)	Rating'	Rating Action
Long-term bank facilities	208.32	CARE A; Stable	Reaffirmed
Long-term / Short-term bank facilities	40.00	CARE A; Stable / CARE A2+	Reaffirmed

8. **OTHER DISCLOSURES**

a. **Materially significant related party transactions**

There are no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

The Policy of the Company for determining materiality of related party transactions and dealing with related party transactions can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/06/RPT-Policy.pdf

All transactions with related parties during the financial year where at arm's length basis and in ordinary course of business. The details of the transactions with related parties is provided in Note 31 of the Standalone Financial Statements which forms part of this Annual Report.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Secretarial Compliance Report on the Company's website https://azad.in/company-announcements/

c. Vigil Mechanism/ Whistle Blower Policy

The Company has formulated and implemented Vigil Mechanism/ Whistle Blower Policy to report concerns. The policy can be accessed on the Company's website at https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf. A dedicated email is provided for reporting concerns under the policy. Also, the stakeholders can submit their concerns in writing by post or courier to the Ombudsman appointed under the said policy. Further, the policy provides the means of directly communicating with the Chairperson of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee to report their concerns/ grievances.

d. Policy for determining 'material' subsidiaries':

As on March 31, 2026, the Company does not have any material subsidiary. The Policy of the Company for determining material subsidiaries accessible on the Company's Website at https://azad.in/wp-content/uploads/2026/03/Policy-for-Determining-Material-Subsidiary.pdf

e. Adoption of Mandatory and Non-Mandatory Requirements:

Mandatory requirements:

The Company has complied with all the mandatory requirements of Listing Regulations.

Non-mandatory requirements:

The Company has adopted the following discretionary requirements of the Listing Regulations:

i. Modified opinion(s) in Audit Report:

The Auditors have issued an unmodified opinion on the financial statements of the Company.

ii. Reporting of Internal Auditor:

The Internal Auditors of the Company report directly to the Audit Committee.

f. Details of utilization of funds raised through qualified Institutional Placement:

During the financial year 2024-25 the Company had raised ₹7000 million through qualified institutional placement. The details of utilization of such proceeds as on March 31, 2026, is as follows:

₹ in Millions

Objects of the issue as per Placement Document	Amount to be utilized as per placement document	Utilization up to March 31, 2026	Unutilized amount up to March 31, 2026*
Funding and part-funding the capital expenditure of our Company	5,250.00	3,686.65	1,563.35
General Corporate Purposes	1,562.10	1,562.10	0.00
Issue Expenses	187.90	153.98**	33.92
Total	**7,000.00**	**5,402.73**	**1,597.27**

*The net unutilised QIP proceeds were temporarily invested in deposits with commercial banks. Interest earned on such deposits are in the monitoring account / fixed deposits.

** Excludes ₹31.22 Mn paid from the Company's current account towards QIP expenses, including Goods and Services Tax, which are yet to be reimbursed from the Monitoring Agency account.

In compliance with the applicable laws the Board of Directors at its meeting held on February 13, 2026, approved the extension of timeline for implementation of objects of the issue from March 31, 2026, to March 31, 2027.

g. Details of fees paid to Statutory Auditors

The details of fees paid/ payable to the Statutory Auditors is ₹ 5.54 Millions (more detailed in Note 29 of the Standalone Financial Statements forming part of this Annual Report)

h. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy for prevention of Sexual Harassment of Women at Workplace. During the financial year 2025-26, no complaints of sexual harassment of women were filed. Further no complaints were pending for disposal or were disposed during the financial year.

i. Details of loans and advances in the nature of loans to firms/ companies in which Directors are interested.

The Company has not given any loan or advance in nature of loans to any Company/ firm in which the Directors are interested. The Company has given inter-corporate loans to Subsidiary Companies, and the details of such loans are provided in note 31 to the standalone financial statements forming part of this Annual Report.

j. Non-compliance of any requirement of corporate governance report

The Company has complied with all the requirements of corporate governance report for FY2025-26.

k. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of 46 of Listing Regulation

The company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of 46 of Listing Regulation.

l. Code of Conduct for Directors and Senior Management Personnel

The Board adopted the Code of Conduct for Directors and Senior Management Personnel of the Company. The Policy can be accessed on the Company's website at https://azad.in/wp-content/uploads/2024/02/Code-of-Conduct-of-Directors.pdf

The Company has received affirmation from all the Directors and Senior Management Personnel regarding compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct is annexed herewith.

m. Compliance Certificate from Secretarial Auditor

Compliance Certificate issued by the Secretarial Auditor of the Company regarding the compliance of conditions of corporate governance is annexed with the Boards Report which forms part of this Annual Report.

n. CEO and CFO Certification

Certificate from Chief Executive Officer and Chief Financial Officer of the Company under Regulation 17(8) of Listing Regulations is annexed with this report.

o. Certificate of non-disqualification of directors

A certificate from Secretarial Auditor 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 SEBI, Ministry of Corporate Affairs, or any other statutory authorities is annexed to this Report

p. Disclosure of certain types of agreements binding listed entity

There are no agreements entered as specified in Clause 5A of Paragraph A of Part A of Schedule III of the Listing Regulations which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

By order of the Board of Directors of
Azad Engineering Limited

	Rakesh Chopdar	**Vishnu Malpani**
Date: May 15, 2026	Chairman & CEO	Whole-time Director
Place: Hyderabad	DIN: 01795599	DIN: 10307319

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, 2026.

By order of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman & CEO
DIN: 01795599

Date: May 15, 2026
Place: Hyderabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AZAD ENGINEERING LIMITED
90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AZAD ENGINEERING LIMITED CIN: L74210TG1983PLC004132 ('the Company'),** and having its registered office at **90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055** (hereinafter referred to as 'the Company') produced before me 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 my opinion and to the best of my 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 ended on 31st March, 2026 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 Director	DIN	Date of appointment in Company*	Date of Cessation
1.	Rakesh Chopdar	01795599	14/08/2003	-
2.	Jyoti Chopdar	03132157	01/07/2014	-
3.	Deepak Kabra	10878892	03/01/2025	-
4.	Murali Krishna Bhupatiraju	10883843	03/01/2025	-
5.	Madhusree Vemuru	10304579	12/09/2023	-
6.	Michael Joseph Booth	10309295	12/09/2023	-
7.	Vishnu Pramodkumar Malpani	10307319	13/09/2023	-
8.	Subba Rao Ambati	01722940	24/09/2023	-

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my 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.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687H000391258

Place : Hyderabad
Date : 15th May 2026

Certificate on Corporate Governance

To,
The Members,
AZAD ENGINEERING LIMITED
Reg Off: 90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

I have examined all the relevant records of AZAD ENGINEERING LIMITED CIN: L74210TG1983PLC004132 ('the Company'), for the purpose of certifying the compliance of conditions of the Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period from 01st April 2025 to 31st March 2026. I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in applicable provisions of the Listing Regulations for the year ended on March 31, 2026.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687H000391225

Place : Hyderabad
Date :15th May 2026

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
AZAD ENGINEERING LIMITED
90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055

I Ashish Kumar Gaggar, Company Secretary in Practice, have been appointed as the Secretarial Auditor vide a resolution passed at its Annual General meeting held on 30th September 2025 by the members of **AZAD ENGINEERING LIMITED CIN: L74210TG1983PLC004132 ('the Company')**, **and having its registered office at 90/C, 90/D, Phase 1 I.D.A, Jeedimetla, Hyderabad, Telangana, India, 500055.** As a Secretarial Auditor, pursuant to the requirements of Regulation 13 of the **Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021** (hereinafter referred to as "the Regulations'), the Management of the Company has requested me to issue the required certificate w.r.t to the

AZAD ESOP Scheme 2024 (AZAD ESOP 2024)

This compliance certificate is issued under Regulation 13 of the Regulations for the year ended **31st March 2026.**

MANAGEMENT RESPONSIBILITY:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising 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.

VERIFICATION:

The Company has implemented AZAD ESOP Scheme 2024 (AZAD ESOP 2024) in accordance with the Regulations and the Special Resolution passed by the members at the Extra-ordinary General Meeting of the Company held on January 28, 2025.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Schemes received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders' resolutions passed at the General Meeting;
5. Shareholders' resolution passed at General Meetings w.r.t variation in the scheme (if any) – **Not Applicable**
6. Shareholders resolution passed at General Meeting w.r.t approval for implementing the scheme(s) through a trust(s) – **Not Applicable**
7. Minutes of the meetings of the Nomination and Remuneration Committee, which is authorized to administer the Schemes;
8. Trust Deed – **Not Applicable**
9. Details of trades in the securities of the company executed by the trust through which the scheme is implemented – **Not Applicable**
10. Relevant Accounting Standards as prescribed by the Central Government;
11. Detailed terms and conditions of the scheme as approved by Nomination and Remuneration Committee;

12. Bank Statements towards Application money received under the scheme(s); **No Such application money received during the period under review.**
13. Valuation Report – **Not Applicable**
14. Exercise Price / Pricing formula;
15. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
16. Disclosure by the Board of Directors;
17. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
18. Relevant document/ filing/ records/ information made available to us and the explanations provided by the Company.

CERTIFICATION:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the AZAD ESOP Scheme 2024 (AZAD ESOP 2024) in accordance with the applicable provisions of the Regulations and Resolution of the Company passed in the Extraordinary General Meeting held on January 28, 2025.

ASSUMPTION & LIMITATION OF SCOPE AND REVIEW:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give certificate based upon my examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information, and it is not to be used circulated, quoted or otherwise referred to for any purpose other than for the Regulations.

Ashish Kumar Gaggar
Company Secretary in Practice
FCS: 6687
CP No.: 7321
PR : 6795/2025
UDIN: F006687H000391313

Place: Hyderabad
Date:15th May 2026

CEO & CFO CERTIFICATE

[Pursuant to Regulation 17(8)/33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Azad Engineering Limited
90 /C,90 /D, Phase-1, I.D.A. Jeedimetla,
Hyderabad - 500055, Telangana.

We, Rakesh Chopdar (Chairman and Chief Executive officer) and Ronak Jajoo (Chief Financial Officer) of Azad Engineering Limited, hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2026 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. Responsibility for establishing and maintaining internal controls for financial reporting is accepted, and the effectiveness of the internal control systems of the listed entity pertaining to financial reporting has been evaluated. Any deficiencies in the design or operation of such internal controls, if identified, have been disclosed to the auditors and the Audit Committee, along with the steps taken or proposed to be taken to rectify such deficiencies.

D. Wherever applicable we have informed the Statutory Auditors and the Audit Committee of:

   - any significant changes in internal control over financial reporting during the quarter, if any;
   - any significant changes in accounting policies during the quarter, if any; and
   - any instances of significant fraud, including those involving management or employees having a significant role in internal control over financial reporting, if any.

Ronak Jajoo
Chief Financial Officer

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Date: 07-05-2026
Place: Hyderabad

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

S.no	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L74210TG1983PLC004132
2.	Name of the Company	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	
6.	Email Address	cs@azad.in
7.	Telephone	91-40-2309 7007
8.	Website	https://www.azad.in
9.	Financial Year for which reporting is done	1st April 2025 to 31st March 2026
10.	Name of the Stock Exchanges where shares are listed	BSE & NSE
11.	Paid-up Capital	₹129.16 Million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	G. Praneeth Abhishek Email: cs@azad.in Contact: 7093916512
13.	Reporting boundary	Reporting on Standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/Services

16. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1	Manufacturing	Energy	79.71
2	Manufacturing	Aerospace & Defence	17.15

17. Products/Services sold by the Company

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Airfoil /Blade	2811	69.35
2	Non-airfoil	2811	29.29

III. Operations

18. Number of locations where plants and/or operations/offices are situated:

Location	Number of plants	Number of offices	Total
National	6	1	6
International		NIL	

Note : Total number of locations remains the same as the number of plants, since registered office is in the same location.

19. Markets served by the Company

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	12

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

93%

c. Types of customers

Our company specialises in precision manufacturing for customers which include global OEMs across the energy, aerospace and defence, and oil and gas industries.

IV Employees

20. Details as at 31st March 2026

a. Employees and Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	494	462	93.52	32	6.48
2.	Other than Permanent (E)	39	28	71.79	11	28.21
3.	**Total Employees (D + E)**	**533**	**490**	**91.93**	**43**	**8.07**
Workers						
4.	Permanent (F)	1674	1655	98.86	19	1.14
5.	Other than Permanent (G)	641	602	93.92	39	6.08
6.	**Total Workers (F + G)**	**2315**	**2257**	**97.49**	**58**	**2.51**

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	Nil				
2.	Other than Permanent (E)					
3.	**Total Employees(D + E)**					
Workers						
4.	Permanent (F)	Nil				
5.	Other than Permanent (G)					
6.	**Total Workers (F + G)**					

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	2	0	0

Note - Executive Directors who are KMP are included in the Board of Directors. The Chief Financial Officer and Company Secretary and Chief Compliance Officer are shown in KMP.

22. Turnover rate for Permanent Employees and Workers

	2025-26(%)			2024-25(%)			2023-24(%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.95%	14.29%	29.24%	52.40%	19.23%	71.63%	12.00%	0.00%	12.00%
Permanent Workers	34.54%	5.26%	39.80%	27.70%	18.18%	45.88%	45.00%	0.00%	45.00%

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

23. Name 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 the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Azad VTC Private Limited	Subsidiary	50.99	No
2	Azad Prime Private Limited	Subsidiary	50.99	No

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:(Yes/No)	Yes
(ii) Turnover(in ₹)	5,903.75 Million
(iii) Net worth(in ₹)	15,519.78 Million

VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web link for grievance redressal policy)	2025-26			2024-25	
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year
Communities	Yes,https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf	0	0	There were no complaints/ grievances received from any specific community	0	0

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web link for grievance redressal policy)	2025-26			2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	
Investors (other than shareholders)	Yes, https://azad.in/contact/	1	0	There were no complaints pending at the financial year ended March 31, 2026	27	0	-
Shareholders	Yes, https://azad.in/contact/	0	0	–	0	0	-
Employees and workers	Yes,https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf	0	0	-	0	0	-
Customer	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. https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf	0	0	The Company conducts weekly meetings with customers to discuss feedback, suggestions and operational matters along with half-yearly leadership meetings to review the overall business relationship and identify improvement opportunities.	0	0	
Value Chain Partners	Yes,https://azad.in/wp-content/uploads/2026/03/Final-Vigil-Mechanism-Policy.pdf	0	0	-	0	0	There were no complaints/ grievances received from the value chain partners
Others (please specify)	NA	NA	NA	NA	NA	NA	-

26. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same approach to adapt or mitigate the risk along with its financial implications:

S.No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy efficiency & carbon emissions	Risk	Operations involve precision engineering and high energy use; global clients expect carbon reduction commitments.	Transition to renewable power, energy-efficient machinery, and process optimization.	Negative
2	Occupational health & safety	Risk	Aerospace and turbine component manufacturing involves heavy machinery; accidents can disrupt production and reputation.	Strict EHS(Environment, Health & Safety) protocols, employee training, and workplace safety audits.	Negative
3	Supply chain sustainability	Risk	Dependency on alloys/metals and global suppliers; ESG compliance by OEM clients makes sustainable sourcing critical.	Supplier audits, preference for certified vendors, diversification of sourcing base.	Negative
4	Technology & product innovation	Opportunity	Clients in aerospace/ defence increasingly demand lightweight, efficient, and sustainable components.	Investment in R&D, advanced machining, and material science innovations.	Positive
5	Waste management & pollution control	Risk	Improper disposal of metal scrap, coolant oils, and industrial waste may lead to environmental penalties.	Recycling scrap, hazardous waste disposal through authorized vendors, and closed-loop systems.	Negative
6	Human capital development	Opportunity	Skilled workforce is key for aerospace/defence sector; attrition or lack of skills poses risk.	Training, retention programs, employee engagement initiatives.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Weblink of the policies, if available	https://azad.in/policies/								
2.	Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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 the Company 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. 3. NADCAP Fluid Distribution Systems. 4. NADCAP NON Destructive Testing. 5. ISO/IEC 27001:2013 for Information Security Management System. 6. ISO 9001:2015 for Manufacturing of Precision Machined Components and Manufacturing of Forged, Heat Treated and Precision Machined Components. 7. ISO 14001:2015 for Environmental Management System standard. 8. ISO 45001:2018 for Occupational Health and Safety Management System standard. 9. NABL ISO/IEC 17025:2017 for General Requirements for the Competence of Testing & Calibration Laboratories.								
5.	Specific commitments, goals and targets set by the Company with defined timelines, if any.	No formal quantified long-term targets or timelines have been established yet. The management is in the process of formulating structured, time bound targets.								
6.	Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	No formal quantified long-term targets or timelines have been established yet. The management is in the process of formulating structured, time bound targets.								

Governance, leadership and oversight

7. **Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements**

As we present this Business Responsibility and Sustainability Report, we mark a pivotal milestone in our corporate journey. Sustainability is no longer just an ethical consideration; it is the cornerstone of our long-term business resilience and governance strategy.

Rather than committing to arbitrary sustainability targets without empirical data, we have prioritized identifying and quantifying our direct and indirect impacts across all nine NGRBC principles.

We are actively assessing our energy consumption, resource efficiency and waste generation. We are currently identifying our most material risks and environmental-social impacts.

Over the coming year, the Board and leadership team will utilize these foundational metrics to define actionable goals, quantifiable targets, and expected timelines. We are committed to developing a comprehensive sustainability roadmap that aligns with our business growth and stakeholder expectations.

Rakesh Chopdar

Whole Time Director & Chief Executive Officer

8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	Shri Rakesh Chopdar (DIN 01795599) Chairman and CEO under the guidance of Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies.
9.	**Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Board of Directors of the Company oversees the factors related to Sustainability.

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations and the Board of Directors periodically reviews the same.									Half Yearly								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the Company carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	NO								

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 open 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	Prevention of insider Training(PIT)	100%
Key Managerial Personnel	2	Prevention of insider Training(PIT), Induction training.	100%
Employees other than BOD and KMPs	127	Technical skill enhancement, safety practices, quality standards, compliance training, behavioural and soft skills development. Improved productivity, reduced errors, and enhanced workplace safety, Prevention of Insider Training(PIT).	100%
Workers	33	Technical skill enhancement, safety practices, quality standards, compliance training, behavioural and soft skills development. Improved productivity, reduced errors, and enhanced workplace safety, PPE Awareness, Prevention of Insider Training(PIT).	100%

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

Monetary					
Type	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine		Joint Commissioner, Office of the Commissioner of Central Tax and GST, Jeedimetla Division, Medchal GST Commissionerate, Hyderabad ("Authority")	₹ 10,38,280/- and ₹ 1,10,582/-	Orders were passed under Sections 73/74 read with Section 122 of the CGST/ SGST Act, 2017 (and corresponding provisions of the IGST Act) for FY 2019–20 and FY 2020–21 relating to blocked ITC under Section 17(5) and non-payment of GST on other income.	No. The Company does not expect any material impact on its financial, operational, or other activities. It is evaluating all available options, including filing an appeal against the order, and expects a favourable outcome.
Settlement					
Compounding fee				Nil	

Non-Monetary				
Type	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 preferred in cases where monetary or non-monetary action has been appealed.**

S.No	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable		

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

The entity adheres to ethical business practices and complies with applicable laws and regulations. The management is in the process of formulating a formal policy to strengthen its governance framework.

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

	2025-26	2024-25
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest**

	2025-26		2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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 conflict of interest.**

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

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured).**

	2025-26	2024-25
Number of days of accounts payables	166	255

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.

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	Sales to dealers/distributors as % of total sales	Nil	Not applicable as the Company does not provide its products through dealers/distributor
	Number of dealers/ distributors to whom sales are made	Nil	Not applicable as the Company does not provide its products through dealers/distributor
	Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors	Nil	Not applicable as the Company does not provide its products through dealers/distributor
Concentration of Sales	Sales to dealers/distributors as % of total sales	Nil	Not applicable as the Company does not provide its products through dealers/distributor
	Number of dealers/ distributors to whom sales are made	Nil	Not applicable as the Company does not provide its products through dealers/distributor
	Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors	Nil	Not applicable as the Company does not provide its products through dealers/distributor
Share of RPTs in	Purchases (purchases with related parties/Total purchases)	3.34%	0%
	Sales (Sales to related parties / Total Sales)	0.33%	4.95%
	Loans and advances (Loans and advances given to related parties/Total loans and advances)	3.83%	0.94%
	Investments (Investments in related parties/Total investments made)	0%	0%

PRINCIPLE 2 | BUSINESS 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 products and processes to total R&D and capex investments made by the Company, respectively.

Segment	2025-26	2024-25	Details of improvements in environmental and social impacts
R & D	0	0	-
Capex	0	0	-

2. **a. Does the Company have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

   No, sustainable sourcing procedures are not applicable to our business, as our primary raw materials are metals and alloys. Further, our operations do not fall under the 'Red Category' of the Pollution Control Board, hence sustainable sourcing practices are not material in the context of our business model.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the Company'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, provide steps taken to address the same.**

   Not Applicable

PRINCIPLE 3 | BUSINESS SHOULD RESPECT AND PROMOTE THE WELLBEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential indicators:

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	462	388	83.98%	388	83.98%	0	0	0		0	
Female	32	21	65.63%	21	65.63%	32	100%	0		0	
Total	**494**	**409**	**82.79%**	**409**	**82.79%**	**32**	**6.48%**	**0**		**0**	
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-		-	
Female	-	-	-	-	-	-	-	-		-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	

b. Details of measures for the well-being of workers:

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 Workers											
Male	1655	1317	79.58%	1317	79.58%	0	0	0		0	
Female	19	19	100.00%	19	100.00%	19	100%	0		0	
Total	**1674**	**1336**	**79.81%**	**1336**	**79.81%**	**19**	**1.14%**	**0**		**0**	

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)
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-		-	
Female	-	-	-	-	-	-	-	-		-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	2025-26	2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.44%	0.16%

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

Benefits	2025-26			2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	59.66	67.6	Yes	50	68	Yes
Gratuity	100	100	Yes	0	2	Yes
ESI	4.13	26.39	Yes	4	45	Yes
NPS	0	0	-	-	-	-
Others- please specify	0	0	-	NA	0	-

3. **Accessibility of workplaces**

Are the premises/offices of the Company 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 Company in this regard.

While the entity currently does not have any differently abled employees or workers, it is committed to fostering an inclusive and accessible workplace for all. Necessary improvements are being planned to ensure that the workplace remains welcoming and supportive for all individuals, irrespective of ability.

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

The Company has Code of Conduct Policy. https://azad.in/wp-content/uploads/2024/02/Code-of-Conduct-of-Directors.pdf

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

Nil

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.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	The Company has a structured POSH framework, with the Internal Complaints Committee designated to address complaints of sexual harassment. Additionally, the Whistle Blower Policy provides a confidential channel for reporting illegal or unethical practices.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. **Membership of employees and workers in association(s) or Unions recognised by the Company:**

No Trade Unions.

8. **Details of training given to employees and workers:**

Category	**2025-26**					**2024-25**				
	Total (A)	**On health and safety measures**		**On skill upgradation**		**Total (D)**	**On health and safety measures**		**On skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No. (F)**	**% (F/D)**
Employees										
Male	490	490	100.00%	490	100.00%	527	523	99.24%	360	68.31%
Female	43	43	100.00%	43	100.00%	9	0	0.00%	18	200.00%
Total	**533**	**533**	**100.00%**	**533**	**100.00%**	**536**	**523**	**97.57%**	**378**	**70.52%**
Workers										
Male	2257	2257	100.00%	2257	100.00%	1221	0	0.00%	-	0.00%
Female	58	58	100.00%	58	100.00%	45	0	0.00%	-	0.00%
Total	**2315**	**2315**	**100.00%**	**2315**	**100.00%**	**1266**	**0**	**0.00%**	**-**	**0.00%**

9. **Details of performance and career development reviews of employees and workers:**

Category	**2025-26**			**2024-25**		
	Total (A)	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**% (D/C)**
Employees						
Male	490	490	100.00%	527	527	100%
Female	43	43	100.00%	9	9	100%
Total	**533**	**533**	**100.00%**	**536**	**536**	**100%**
Workers						
Male	2257	0	0.00%	1221	1221	100%
Female	58	0	0.00%	45	45	100%
Total	**2315**	**0**	**0.00%**	**1266**	**1266**	**100%**

10. Health and Safety Management System:

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

Yes, under IMS Certification 45001:2018, 14001:2015 & ISO 9001:2015, health and safety measures are adequately followed.

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

1 Hazard Identification Risk Assessment.

2. Risk Register.

3. Internal and External Audits

4. Continuous Monitoring System

5. Preventive Maintenance

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

Yes. The Company has a QEHS Policy

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

Yes. OHC services available. Also, annual medical checkups being carried out to the employees/ workers.

11. Details of safety related incidents.

Safety Incident /Number	Category	2025-26	2024-25
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. Describe the measures taken by the Company to ensure a safe and healthy workplace.

- We are committed to protecting the health & safety of all people working & visiting our company
- We can plan, manage, conduct and supervise all our work in compliance with legislation & good practices.
- We want to ensure that all workers have a clear understanding of their responsibilities along with the company.

13. Number of Complaints on the following made by employees and workers:

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil			
Health & Safety	Nil	Nil	Nil			

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14. Assessment for the year:

	% of plants and offices that were assessed (by Company or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide 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.

There are no safety related incidents/risks/concerns arising from assessments of health and safety practices and working conditions.

PRINCIPLE 4 | BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company recognizes and prioritizes its stakeholders based on their influence on the business and its long-term value creation. Through regular engagement and open communication, the Company strives to understand stakeholder expectations and build enduring relationships that support mutual growth and shared value.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Phone calls, SMS, Meetings, Notice Board, Training Programs, festival and foundation day celebration, Intranet	Regular	Day to day activities/ Conduct of Business. Trainings, addressing concerns, innovation, operational efficiencies, health, safety and recreational activities.
Investors and Shareholders	No	Email, Website, Quarterly publication of results, Newspaper advertisements, Analysts/ Investor Calls, Annual General Meetings, Stock Exchange intimations	Annually/Half yearly/ Quarterly/Event basis	Compliance, Governance Practices update on business, financial, and operational results. Keeping communication channels open with shareholders and investor community helps to connect them with the Company.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Physical Meetings / Reviews/ Assessments	Event Based	CSR Programs and other initiatives. Community involvement through Corporate Social Responsibility initiatives, responding to the needs and concerns of surrounding communities
Customers and Value Chain Partners	No	Email, Meetings, Survey, Phone calls, Websites	Regular	Business / Project Related Product quality and availability, timely delivery and payments, ESG consideration. responsiveness to customer needs, customer satisfaction, customer surveys and feedback mechanisms.
Government and Regulatory Bodies	No	Fillings and submissions, Engagement during visits to our facilities, Email and website	Event Based	Compliance with applicable laws and Regulations Transparency, Disclosure, Compliance, Constructive engagement

PRINCIPLE 5 | BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:

Category	2025-26			2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	494	494	100%	536	0	0.00%
Other than Permanent	39	0	0.00%	0	0	0.00%
Total Employees	**533**	**494**	**92.68%**	**536**	**0**	**0.00%**

Category	2025-26			2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Workers						
Permanent	1674	1674	100%	905	59	6.52%
Other than Permanent	641	0	0.00%	361	0	0.00%
Total Workers	**2315**	**1674**	**72.31%**	**1266**	**59**	**4.66%**

2. **Details of minimum wages paid to employees and workers.**

Category	2025-26					2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	462	Nil	Nil	462	100%	527	527	100%	Nil	Nil
Female	32	Nil	Nil	32	100%	9	9	100%	Nil	Nil
Other than Permanent										
Male	28	Nil		28	100%	Nil	Nil	Nil	Nil	Nil
Female	11	Nil		11	100%	Nil	Nil	Nil	Nil	Nil
Workers										
Permanent										
Male	1655	Nil	Nil	1655	100%	886	886	100%	Nil	Nil
Female	19	Nil	Nil	19	100%	19	19	100%	Nil	Nil
Other than Permanent										
Male	602	Nil	Nil	602	100%	335	335	100%	Nil	Nil
Female	39	Nil	Nil	39	100%	26	26	100%	Nil	Nil

3. **Details of remuneration/salary/wages:**

a. The details are provided below:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Mn)	Number	Median remuneration/ salary/ wages of respective category ₹ in Mn)
Board of Directors (BOD)	3	16.71	1	12
Key Managerial Personnel	2	3.29	-	-
Employees other than BOD and KMP	669	0.53	33	0.35
Workers	1494	0.20	19	0.25

Note 1: Median remuneration is calculated only for Executive Directors; Independent Directors receive sitting fees which is not included above.

b. Gross wages paid to females as % of total wages paid by the Company.

	2025-26	2024-25
Gross wages paid to females as % of total wages	3.05%	2.46%

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)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Any human rights-related grievances may be reported through the Company's Grievance Policy Mechanism. All complaints are investigated, resolved appropriately, and disciplinary action is taken wherever necessary.

6. Number of Complaints on the following made by employees and workers.

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other Human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

	2025-26	2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established an Internal Committee under the POSH Act to address complaints of sexual harassment and discrimination. Regular awareness and training programmes are conducted to sensitize employees. Confidentiality of complaints is strictly maintained, and protection mechanisms are in place to ensure that no retaliatory action or adverse consequence is faced by the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. **Assessment for the year**

	Total Number of plants & offices	Number of plants and offices that were assessed(By entity)	Number of plants and offices that were assessed(By statutory authorities)	Number of plants and offices that were assessed(By third parties)	No. of your plants and offices that were assessed (by entity or statutory authorities or third parties).	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	7	7	-	-	-	100%
Forced/ involuntary labour	7	7	-	-	-	100%
Sexual harassment	7	7	-	-	-	100%
Discrimination at workplace	7	7	-	-	-	100%
Wages	7	7	-	-	-	100%
Others – please specify	7	7	-	-	-	100%

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not applicable

PRINCIPLE 6 BUSINESS 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	2025-26	2024-25
From renewable sources		
Total electricity consumption (A) (Giga joules)	-	1,78,31,898.00
Total fuel consumption (B) (Giga joules)	-	-
Energy consumption through other sources (C) (Giga joules)	-	-
Total energy consumed from renewable sources (A+B+C)	**-**	**1,78,31,898.00**
From non-renewable sources		
Total electricity consumption (D) (Giga joules)	93,263.43	64
Total fuel consumption (E) (Giga joules)	11,26,734	-
Energy consumption through other sources (Giga joules) (F)	0	
Total energy consumed from non-renewable sources (D+E+F)	**12,19,997.43**	**64**
Total energy consumed (A+B+C+D+E+F)	**12,19,997.43**	**1,78,31,962.00**

Parameter	2025-26	2024-25
Energy intensity per rupee of turnover (Total energy consumed / Revenue fromoperations) (GJ/Rs in Millions)	206.65	
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total energy consumed / Revenue from operations adjusted for PPP) *	4,203.22	
Energy intensity in terms of physical Output (GJ/Output in MT)	468.34	
Energy intensity *(optional)* – the relevant metric may be selected by the Company		

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Edge Technologies Private Limited.

2. **Does the Company 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, provide the remedial action taken, if any.**

   Not Applicable.

3. **Provide details of the following disclosures related to water.**

Parameter	2025-26	2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	1,701	71
(iii) Third party water	2,128	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	1,735
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3829	1,806
Total volume of water consumption (in kilolitres)	3829	0
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.65	
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	13.19	
Water intensity in terms of physical Output (Consumption in KL/Output in MT)	1.47	
Water intensity (optional) – the relevant metric may be selected by the Company	-	

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.

4. Provide the following details related to water discharged.

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
Total water discharged (in kiloliters)	Nil	Nil

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.

5. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

6. Please provide details of air emissions (other than GHG emissions) by the Company.

Parameter	Unit	2025-26	2024-25
Nox	Avg mg/Nm3	16.87	15
Sox	Avg mg/Nm3	11.73	11
Particulate matter (PM)	Avg mg/Nm3	29.3	33
Persistent organic pollutants (POP)	Avg mg/Nm3	Nil	Nil
Volatile organic compounds (VOC)	Avg mg/Nm3	NA	NA
Hazardous air pollutants (HAP)	Avg mg/Nm3	NA	NA
Others – please specify	-	NA	NA

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.

Yes. Independent assessments/evaluations have been carried out by Global Envirolabs Limited and Clean Envirolabs Limited.

7. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity.

Parameter	Unit	2025-2026	2024-2025
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5528	13287.875
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.94	
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)		19.05	
Total Scope 1 and Scope 2 emission intensity in terms of physical output		2.12	
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the Company			

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.

Yes. Energy Efficiency report by Edge Technologies Private Limited.

8. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

No

9. Provide details related to waste management by the Company.

Parameter	2025-26	2024-25
Total Waste generated (in metric tonnes)		
Plastic waste *(A)*	–	
E-waste *(B)*	–	
Bio-medical waste *(C)*	–	
Construction and demolition waste *(D)*	–	
Battery waste *(E)*	–	
Radioactive waste *(F)*	–	
Other Hazardous waste. Please specify, if any. *(G)*	263.49	0.41

Parameter	2025-26	2024-25
Other Non-hazardous waste generated *(H)*. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	–	
Total *(A+B + C + D + E + F + G + H)*	263.49	0.41
Parameter		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.04	
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operationsadjusted for PPP)	0.91	
Waste intensity in terms of physical output (Waste generated in MT/Output in MT)	0.10	
Waste intensity (optional) – the relevant metric may be selected by the Company		-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
Plastic Waste	0	0
E-waste	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

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

10. **Briefly describe the waste management practices adopted in your establishment. 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.**

    The Company has a hazardous waste disposal procedure in place to ensure the safe handling, storage, and disposal of hazardous waste in compliance with applicable regulations. The implementation of the procedure is regularly monitored, and efforts are made to minimize the use of hazardous and toxic chemicals wherever feasible.

11. **If the Company has operations/offices 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, please specify details.**

    The Company does not have any offices or plants in ecologically sensitive areas

12. **Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year.**

    None

13. **Is the Company 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.**

S. 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
		None		

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.**

   Two

   b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1	Federation of Indian Export Organisations	State
2	Engineering Export Promotion Council	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.**

   No cases of anticompetitive conduct reported. There is no action taken or underway against the company

PRINCIPLE 8 | BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.**

   Not Applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company.**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Community members may communicate their grievances to the Company through email or written correspondence. All grievances and complaints received from the community are reviewed and addressed by the respective departments in a timely and appropriate manner.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	2025-2026	2024-2025
Directly sourced from MSMEs/small producers	2.59%	26.54%
Directly from within India	58.63%	0%

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	2025-26	2024-25
Rural	0%	0%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%

PRINCIPLE 9 | BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential indicators

1. **Describe the mechanisms 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 environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal**

   Not applicable

3. **Number of consumer complaints in respect of the following:**

Number of consumer complaints in respect of the following:	2025-26	Remarks	2024-25	Remarks
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	Nil		Nil	
Advertising				
Cyber-security				
Delivery of essential services				
Restrictive Trade Practices				
Unfair Trade Practices				
Other				

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The Company has a documented cybersecurity policy that is available internally.

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 along-with impact	NIL
b. Percentage of data breaches involving personally identifiable information of customer	Not Applicable
c. Impact, if any, of the data breaches	Not Applicable

Independent Auditor's Report

To the Members of **Azad Engineering Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Azad Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, 2026, 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 SAs 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in

our audit of the Standalone financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition – (Refer note 2.2 (A) of Standalone Financial Statements):

Revenue is a key performance measure for the Company. Revenue of the Company mainly comprise of sale of goods or services to its customers.

Company recognises revenue from sale of goods or services, based on the terms and conditions of transactions which varies with different customers, at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset.

In respect of sale transactions executed, there exists significant audit risk with respect to performance obligations whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly, cut off for revenue recognition is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the Company's revenue recognition accounting policies as required under the applicable accounting standards.

2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of revenue transactions.

3. Obtained and evaluated customer contracts to assess the basis of revenue recognition and verified, on a sample basis, the underlying supporting documents evidencing transfer of control and fulfilment of performance obligations in accordance with the terms of the contracts and applicable accounting standards.

4. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes and shipping documents, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date.

5. Obtained evidence in respect of revenue transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.

6. Performed analytical procedures on revenue recognized during the year to identify any unusual trends or variances, and obtained explanations and supporting evidence for significant fluctuations noted.

7. Tested, on a sample basis, journal entries relating to revenue recognition to assess the appropriateness of entries recorded.

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 Director's report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's statement and Business Responsibility and Sustainability Reporting, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's statement and Business Responsibility and Sustainability Reporting, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 Indian 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 of the Company 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 Board of Directors is 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 of the aforesaid standalone 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.

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

    (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 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 30 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

iv a. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 43(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 43(f) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 43(p) to the standalone financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

3. In our opinion, according to information and explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226NNJFSN3027

Place : Hyderabad
Date : May 15, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING 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 of current period 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 LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226NNJFSN3027

Place : Hyderabad
Date : May 15, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment and right of use assets 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, 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, except for below mentioned. The title deeds/agreement for sale of immovable properties aggregating to ₹271.88 Mn as of March 31, 2026, are pledged with the banks and original copies are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

Description of Property	Gross carrying value (₹in Mn)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held – Indicate	Reason for not being held in name of Company
Mangampet land	₹75.17	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From April 2022	The land was allotted to the company by TSIIC – where the transfer of title is subject to precedent conditions agreed between the parties .Further, the title deeds relating to the land are currently under dispute before the Hon'ble Court of Telangana. Refer Note 4 to the standalone financial statements
Tunkibollaram Land	₹259.02	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From September 2021	The land was allotted to the company by TSIIC – where the transfer of title is subject to precedent conditions agreed between the parties. Refer Note 3(a) in standalone financial statements

(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. No discrepancies were noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable. 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 any point of time of the year, the Company has been sanctioned working capital limits in excess of ₹5 Crores, in aggregate from Banks 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 are in agreement with the books of accounts of the Company.

Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.

iii. (a) According to the information and explanation provided to us, the Company has provided loans to its subsidiaries are as follows.

Particulars	Loans (₹in Mn)
Aggregate amount granted/provided during the year	
-Subsidiaries	7.53
Balance Outstanding as at balance sheet date in respect of above cases	
-Subsidiaries	196.41

During the year the Company has not provided any advance in nature of loan and provided guarantee/security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and guarantees provided and terms and conditions in relation to grant of all loans, investments made and guarantees provided, are not prejudicial to the interest of the Company.

(c) In case of the loans, schedule of repayment of principal and payment of interest have been stipulated and the reporting on regularity of repayment of principal and interest is not applicable as these amounts are not due as of reporting date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans granted to its subsidiaries.

(e) According to the information and explanation provided to us, the loans granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information and explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act, either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted loans or provided guarantees or securities to parties covered under Section 185 of the Act. The Company has complied with the provisions of Section186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act, and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

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 Act, in respect of its products. 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 examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable except for ₹1.00 Mn, relates to provident fund, which remain pending for deposit due to non-updation of mandatory employee details in the portal.

(b) According to the information and explanations given to us and the records examined by us, dues relating to goods and service tax, income tax and customs duty which have not been deposited as on March 31, 2026, 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	19.67	2.00	AY 2021-22 & AY 2022-23	Central Board of Direct Taxes
Customs Act, 1962	Customs Duty	218.57	-	FY 2019-20 to FY 2025-26	Customs Adjudicating Authority
Customs Act, 1962	Customs Duty	2.37	-	FY 2014-15	Commissioner of Customs (Appeals)
Goods and Services Tax Act, 2017	GST	2.13	0.20	FY 2019- 20 & to FY 2020-21	Commissioner of GST (Appeals)

There are no dues relating to provident fund, employees' state insurance, duty of excise, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(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 utilised for long-term purposes by the Company.

(e) According to the information and explanations 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 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. Further, the Company do not have any associate or joint ventures. 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 explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of equity shares during the previous year and the requirements of Section 42 and Section 62 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised except for idle funds amounting to ₹1,600.06 Mn which were not required for immediate utilization have been invested in deposits with scheduled banks. The maximum amount of idle funds invested during the year was ₹6,430.00 Mn, of which ₹1,599.99 Mn was outstanding at the end of the year and is in form of fixed deposits and ₹0.07 Mn maintained with monitoring/ escrow account respectively. Refer Note 42 to the standalone financials statement.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, 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 and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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 realisation 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act as disclosed in note 29(ii) to the standalone financial statements.

(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Act as disclosed in note 29(ii) 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 LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226NNJFSN3027

Place : Hyderabad
Date : May 15, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Azad Engineering Limited on the Standalone Financial Statements for the year ended March 31, 2026]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Azad Engineering Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's and Board of Director's Responsibilities 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 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 with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226NNJFSN3027

Place : Hyderabad
Date : May 15, 2026

AZAD

Standalone Balance Sheet

as at March 31, 2026

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

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	7,447.73	4,010.20
Right-of-use assets	3(b)	113.08	131.33
Capital work-in-progress	4	2,566.82	797.80
Financial assets			
(i) Investments	5	0.20	0.20
(ii) Loans	6	196.41	188.88
(iii) Other financial assets	7	450.31	316.43
Other non-current assets	8	1,340.51	1,190.40
Total non-current assets		**12,115.06**	**6,635.24**
Current assets			
Inventories	9	3,266.32	1,884.83
Financial assets			
(i) Trade receivables	10	3,092.38	2,215.82
(ii) Cash and cash equivalents	11(a)	235.82	403.75
(iii) Bank balances other than (ii) above	11(b)	1,599.99	6,555.44
(iv) Other financial assets	7	88.77	40.41
Other current assets	12	1,553.00	809.79
Total current assets		**9,836.28**	**11,910.04**
Total assets		**21,951.34**	**18,545.28**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	129.16	129.16
Other equity	14	15,390.62	14,046.87
Total equity		**15,519.78**	**14,176.03**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	2,783.39	1,679.02
(ia) Lease liabilities	3(b)	112.52	123.65
Provisions	18	59.81	45.89
Deferred tax liabilities (net)	19	490.57	274.38
Total non-current liabilities		**3,446.29**	**2,122.94**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,732.41	704.35
(ia) Lease liabilities	3(b)	11.94	10.45
(ii) Trade payables	17		
(a) total outstanding dues of micro and small enterprises		180.10	299.81
(b) total outstanding dues of creditors other than micro and small enterprises		683.26	489.77
(iii) Other financial liabilities	20	314.48	493.27
Provisions	18	8.15	6.25
Other current liabilities	21	45.93	63.77
Current tax liabilities (net)	22	9.00	178.64
Total current liabilities		**2,985.27**	**2,246.31**
Total liabilities		**6,431.56**	**4,369.25**
Total equity and liabilities		**21,951.34**	**18,545.28**
See accompanying notes forming part of the standalone financial statements.	1-46		

As per our report even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place : Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place : Hyderabad
Date : May 15 , 2026

Place : Hyderabad
Date : May 15 , 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

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

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Income			
Revenue from operations	23	5,903.75	4,529.28
Other income	24	475.33	115.49
Total income (I)		**6,379.08**	**4,644.77**
II. Expenses			
Cost of materials consumed	25(a)	1,282.43	1,034.30
Changes in inventories of finished goods, work-in-progress and scrap inventory	25(b)	(712.00)	(407.06)
Employee benefits expense	26	1,310.21	909.92
Finance costs	27	297.07	179.36
Depreciation expense	28	500.89	285.91
Other expenses	29	1,845.63	1,382.17
Total expenses (II)		**4,524.23**	**3,384.60**
III. Profit before tax (I-II)		**1,854.85**	**1,260.17**
IV. Tax expenses	**38**		
Current tax		320.89	307.73
Tax expense pertaining to earlier year		(3.96)	19.69
Deferred tax		216.31	47.50
Total tax expense (IV)		**533.24**	**374.92**
V. Profit after tax (III-IV)		**1,321.61**	**885.25**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement losses on defined benefit plans		(0.39)	(1.32)
Tax relating to items that will not be reclassified to profit and loss		0.11	0.38
Total other comprehensive loss for the year, net of tax (VI)		**(0.28)**	**(0.94)**
VII. Total comprehensive income for the year (V + VI)		**1,321.33**	**884.31**
VIII. Earnings per share (Face value of share ₹2 each)			
- Basic	32	20.46	14.87
- Diluted		20.46	14.87
See accompanying notes forming part of the standalone financial statements.	1-46		

As per our report even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place : Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place : Hyderabad
Date : May 15 , 2026

Place : Hyderabad
Date : May 15 , 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

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

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities			
Profit before tax		1,854.85	1,260.17
Adjustments for :			
Depreciation expense		500.89	285.91
Finance costs		297.07	179.36
Net unrealized foreign exchange gain (net)		(158.43)	(15.72)
Provision for credit impaired trade receivable		17.87	35.76
Interest income		(247.28)	(61.98)
Liabilities no longer required written back		(14.00)	-
Allowance for impairment of advances		6.06	-
Operating profit before working capital changes		**2,257.03**	**1,683.50**
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(731.68)	(536.80)
Inventories		(1,381.49)	(555.20)
Other financial assets		6.99	(3.88)
Other assets		(746.52)	(221.68)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		81.43	290.94
Other financial liabilities		(229.39)	159.01
Provision for employee benefits		15.54	11.80
Other liabilities		(17.85)	(23.69)
Cash (used in)/generated from operating activities		**(745.94)**	**804.00**
Income taxes paid (net of refund)		(486.69)	(175.15)
Net cash (used in)/ flow from operating activities	**A**	**(1,232.63)**	**628.85**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(5,707.07)	(2,751.29)
Inter corporate loan given to subsidiaries		(7.53)	(188.88)
Deposits matured/(placed) with banks (net)		4,796.42	(6,223.20)
Interest income received		217.08	4.26
Advance towards purchase of Investments		-	(73.24)
Investment in subsidiaries		-	(0.20)
Net cash flow used in investing activities	**B**	**(701.10)**	**(9,232.55)**

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2026

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

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flow from financing activities			
Proceeds from issue of equity shares		-	7,000.00
Transaction cost on QIP issue		-	(116.21)
Proceeds from long term borrowings		1,538.85	1,646.62
Repayment of long term borrowings		(115.24)	(97.74)
Proceeds from/(repayment) of short term borrowings (net)		708.82	462.89
Principal paid on lease liabilities		(9.64)	(7.35)
Interest paid on lease liabilities		(11.36)	(12.01)
Finance costs paid		(345.63)	(150.61)
Net cash flow from financing activities	**C**	**1,765.80**	**8,725.59**
Net (decrease)/ increase in cash and cash equivalents	**A+B+C**	**(167.93)**	**121.89**
Cash and cash equivalents at the beginning of the year		403.75	281.86
Cash and cash equivalents at the end of the year (Refer Note 11(a))		**235.82**	**403.75**
See accompanying notes forming part of the standalone financial statements.	1-46		

As per our report even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place: Hyderabad
Date : May 15 , 2026

Place: Hyderabad
Date : May 15 , 2026

AZAD

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

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

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2024		**5,91,12,993**	**118.23**
Changes in equity share capital during the year	13	54,68,750	10.93
As at March 31, 2025		**6,45,81,743**	**129.16**
Changes in equity share capital during the year	13	-	-
As at March 31, 2026		**6,45,81,743**	**129.16**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Total other equity
		Securities premium	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit obligations (net of taxes)	
Balance at April 01, 2024	**14**	**4,562.97**	**1,735.16**	**39.00**	**(4.30)**	**6,332.83**
Profit for the year		-	885.25	-	-	885.25
Other comprehensive income (net of tax)		-	-	-	(0.94)	(0.94)
Issue of equity shares		6,989.06	-	-	-	6,989.06
Share issue expenses		(159.33)	-	-	-	(159.33)
Balance as at March 31, 2025	**14**	**11,392.70**	**2,620.41**	**39.00**	**(5.24)**	**14,046.87**
Profit for the year		-	1,321.61	-	-	1,321.61
Other comprehensive income (net of tax)		-	-	-	(0.28)	(0.28)
Share issue expenses		22.42	-	-	-	22.42
Balance at March 31, 2026	**14**	**11,415.12**	**3,942.02**	**39.00**	**(5.52)**	**15,390.62**

See accompanying notes forming part of the standalone financial statements. 1-46

As per our report even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place: Hyderabad
Date : May 15 , 2026

Place: Hyderabad
Date : May 15 , 2026

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

1 Corporate information

Azad Engineering 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 equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE').

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.

(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.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

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

Assumptions and estimation uncertainties

The Company uses critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements, for the following areas:

- Note 3 - Determining an asset's expected useful life and the expected residual value at the end of its life.
- Note 10 - Impairment of non financial assets and financial assets;
- Note 30 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 35 - Measurement of defined benefit obligations: key actuarial assumptions;

(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) Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Based on nature of product and activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

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.

For contracts involving the sale of products/services, the Company determines whether control of the underlying products has been transferred to the customer. In determining whether control has been transferred, the Company considers the following requirements prescribed under Ind AS 115:

i. The reason for the arrangement is substantive (i.e. the physical possession with the entity is pursuant to the customer's explicit request);

ii. The product is separately identified as belonging to the customer;

iii. The product is ready for physical transfer to the customer; and

iv. The entity does not have the ability to use the product or to direct it to another customer.

Company recognizes revenue in respect of such arrangements only when all of the aforementioned requirements are satisfied.

Further, at the time of such recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

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

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

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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. 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

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

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)
Computers & data processing units	3	3
Electrical fittings	10	10
Furniture & fixtures	10	10
Servers & networks	6	6
Plant and machinery	15	7.5
Factory buildings	30	30
Office equipment	5	5
Vehicles	8	8

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

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

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

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

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

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

(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.

(iii) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the entity will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entity recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The entity reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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.

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

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

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

1. Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants:

   The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

   a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

   b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

   c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

   These amendments have no effect on the measurement of any items in the financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

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

2. Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

   Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of the Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates. Supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

   The Company does not have any supplier finance arrangements during the reporting period.

3. Amendment to Ind AS 12 – Pillar-Two Tax Reforms

   The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in the jurisdiction in which the Company operates.

4. Amendment to Ind AS 21-Lack of exchangeability

   The amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the Company.

   The below amendments are notified but not yet effective amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

   The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

   a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

   b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

   c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

3(a) Property, plant and equipment

Particulars	Land	Factory buildings *	Plant and machinery	Electrical fittings	Furniture and fixtures	Computer and data processing Units	Servers and networks	Office equipment	Vehicles	Total
Gross carrying amount										
Balance as at April 01, 2024	12.86	139.34	2,648.29	71.35	28.89	43.60	39.91	49.51	102.95	3,136.70
Additions	259.02	318.02	1,032.96	39.01	11.90	8.16	13.72	32.68	20.08	1,735.55
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**271.88**	**457.36**	**3,681.25**	**110.36**	**40.79**	**51.76**	**53.63**	**82.19**	**123.03**	**4,872.25**
Additions	0.13	470.88	3,014.60	166.17	35.42	27.60	32.32	111.48	61.56	3,920.16
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	**272.01**	**928.24**	**6,695.85**	**276.53**	**76.21**	**79.36**	**85.95**	**193.67**	**184.59**	**8,792.41**
Accumulated depreciation										
Balance as at April 01, 2024	-	15.36	448.55	25.27	9.37	24.25	14.55	20.15	33.79	591.29
Depreciation	-	7.76	207.46	8.22	3.36	9.61	10.14	11.17	13.04	270.76
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**-**	**23.12**	**656.01**	**33.49**	**12.73**	**33.86**	**24.69**	**31.32**	**46.83**	**862.05**
Depreciation	-	29.90	362.86	19.37	6.95	12.07	8.97	26.12	16.39	482.63
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	**-**	**53.02**	**1,018.87**	**52.86**	**19.68**	**45.93**	**33.66**	**57.44**	**63.22**	**1,344.68**
Net carrying amount										
As at March 31, 2025	**271.88**	**434.24**	**3,025.24**	**76.87**	**28.06**	**17.90**	**28.94**	**50.87**	**76.20**	**4,010.20**
As at March 31, 2026	**272.01**	**875.22**	**5,676.98**	**223.67**	**56.53**	**33.43**	**52.29**	**136.23**	**121.37**	**7,447.73**

*The factory building includes building constructed on the leasehold premises

Note

1. Refer note 15 & 16 for information on property, plant and equipment pledged as security by the Company.
2. Borrowing costs capitalised during the year amounted to ₹36.33 (March 31, 2025: ₹8.30).

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

3. Details of title deeds not held in the name of the Company:

Relevant Line Item in the Balance Sheet	Description of Property	Gross carrying value [₹ in Mn]	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Property Plant and Equipment	Land - Tunkibollaram	259.02	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From September 2021	The land was allotted to the company by TSIIC vide agreement date September 23, 2021. The allotted land shall be utilised for setting up of "Integrated Supply of Energy & Aerospace engines" as per Detailed project report. The agreement shall be valid for a period of 3 years from the date of agreement. The entity has completed the substantial portion of work as per the detailed project report but Where the transfer of title/ Execution of Sale deed is subject to following conditions: i. Payment of Sale in full along with all other dues/fees/ levies/Property tax etc. ii. Implementation of the project in full as envisaged by the allottee as per the detailed project report furnished by them at the time of application and on commencement of commercial production iii. Utilisation of land to a minimum of 50% of the area in the land allotted for production facility. Company's management is confident on completion of balance project within envisaged timelines.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

(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)
As at April 01, 2024	**29.00**
Additions	119.15
Disposals	-
As at March 31, 2025	**148.15**
Additions	-
Disposals	-
As at March 31, 2026	**148.15**
Accumulated depreciation	
As at April 01, 2024	**1.67**
Depreciation for the year	15.15
Disposals	-
As at March 31, 2025	**16.82**
Depreciation for the year	18.26
Disposals	-
As at March 31, 2026	**35.08**
Net carrying amount as at March 31, 2025	**131.33**
Net carrying amount as at March 31, 2026	**113.08**

b. Lease liabilities

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	134.10	22.76
Additions during the year	-	118.69
Finance cost	11.36	12.01
Payments	(21.00)	(19.36)
Closing Balance	**124.46**	**134.10**

Break up of the closing lease liabilities	As at March 31, 2026	As at March 31, 2025
Current	11.94	10.45
Non-current	112.52	123.65

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

(ii) Payments recognised as expenses during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short term leases for the year (refer note-29)	16.36	13.95

(iii) Amount recognized in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	11.36	12.01
Depreciation on Right of use assets	18.26	15.15

(iv) Amount recognized in cash flow statement

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Principal paid on lease liabilities	9.64	7.35
Interest paid on lease liabilities	11.36	12.01

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

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	22.36	21.00
One to five years	105.36	81.66
More than five years	47.65	93.70

4 Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work in progress	2,566.82	797.80

Movement of CWIP:	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	797.80	454.34
Addition during the year	3,347.49	1,091.59
Capitalized during the year	(1,578.47)	(748.13)
Closing balance	**2,566.82**	**797.80**

Ageing as on March 31, 2026

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
Project in progress	2,223.71	251.46	2.52	89.13	2,566.82
Project temporarily suspended	-	-	-	-	-
Total	**2,223.71**	**251.46**	**2.52**	**89.13**	**2,566.82**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Ageing as on March 31, 2025

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
Project in progress	682.47	19.63	95.70	-	797.80
Project temporarily suspended	-	-	-	-	-
Total	**682.47**	**19.63**	**95.70**	**-**	**797.80**

Notes:

1. There are no projects as capital work in Progress as at March 31, 2026 and March 31, 2025 whose completion is overdue or cost of which exceeds in comparison to its original plan.
2. Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.
3. **Details of title deeds not held in the name of the Company:**

Relevant Line Item in the Balance Sheet	Description of Property	Gross carrying value [₹ in Mn]	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Capital work in progress	Mangampet Land	75.17	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From April 2022	The land was allotted to the company by TSIIC vide agreement for sale dated April 06, 2022. The allotted land shall be utilised for setting up of "Integrated Supply of Energy & Aerospace engines" as per Detailed project report. A Writ Petition (No. 18735 of 2024) was filed in July 2024 by local residents before the Hon'ble Telangana High Court against the Company and certain government departments. The Company filed its response on September 9, 2024, denying the allegations and sought impleadment of TSIIC as a necessary party, which was allowed by the Hon'ble High Court on September 19, 2025. The matter is currently pending before Hon'ble High Court. Management is confident on favourable outcome of this matter.

4. Borrowing costs capitalised during the year amounted to ₹35.51 (March 31, 2025: ₹6.34).

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

5 Investments (Measured at cost)

	As at March 31, 2026	As at March 31, 2025
Non-current investments		
Investment in subsidiaries, unquoted		
Azad Prime Private Limited (10,000 (March 31, 2025: 10,000) equity shares of par value Rs.10 each fully paid)	0.10	0.10
Azad VTC Private Limited (10,000 (March 31, 2025: 10,000) equity shares of par value Rs.10 each fully paid)	0.10	0.10
	0.20	**0.20**
Aggregate value of unquoted investments	0.20	0.20

Notes:

1. The Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad Prime Private Limited ('Azad Prime'), incorporated in April 2024. As per terms of Shareholders Agreement [SHA] dated July 25, 2024 entered between the Company & Leo Primecomp Private Limited ('Leo Prime'), during the quarter ended September 30, 2024, Azad Prime has issued additional equity shares to Leo Prime, consequently, the revised shareholding stands at 51% by Company and 49% by Leo Prime. Further as per terms of SHA, the Company has Call Option [right to buy] and Leo Prime has Put Option [right to Sell] – to the equity shares owned by Leo Prime upon occurrence of events agreed in SHA. Price payable to the Call Option / Put Option, by the Transferor for the purchase/sale of the securities pursuant to exercise of the qualified Call Option / Put Option on account of events mentioned in SHA - shall be the higher of: (i) Fair Market Value of the securities held by such Call / Put Option Transferor as on the date of such purchase/sale, or (ii) an amount of ₹225.63. During quarter ended December 31, 2024, the Company has paid an advance of ₹54.13 to purchase the balance 49% of Shares held by Leo Prime on occurrence of the events as mentioned in SHA. The said advance is non-refundable and such amount shall be deducted from any amount payable to the Leo Prime pursuant to exercise of Call/Put Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

2. The Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad VTC Private Limited. As per terms of Shareholders Agreement [SHA] dated May 9, 2024 entered between the Company and other shareholder, during the quarter ended September 30, 2024, Azad VTC has issued additional equity shares to other shareholder, consequently, the revised shareholding stands at 51% by Holding Company and 49% by other shareholder. Further, as per terms of SHA, the Company has an Call Option [right to buy] to purchase the shares held by other shareholder. The Company paid an advance of ₹23.30 to other shareholder to acquire the remaining 49% of shares in the future. This amount is refundable and can be deducted from amount payable to the other share holder on exercise of Call Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

6 Loans

	As at March 31, 2026	As at March 31, 2025
(Unsecured , considered good)		
Non current		
Inter-corporate Loans to subsidiary companies (refer note 31)	196.41	188.88
	196.41	**188.88**

Note: Intercorporate loans are given to Azad VTC Private Limited and Azad Prime Private Limited (Subsidiaries) which are unsecured and carry simple interest of 10% per annum. Early repayment of loan is allowed and repayments first shall be applied to Interest accrued and then to outstanding Principal.(Maximum amount outstanding during the year is ₹196.41)

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

7 Other financial assets (at amortised cost)

Non-current	As at March 31, 2026	As at March 31, 2025
(Unsecured considered good)		
Security deposits	8.96	49.73
Deposit accounts with maturity for more than 12 months (refer note below)	333.62	174.59
Interest accrued on fixed deposits with maturity for more than 12 months	32.82	18.87
Advance towards purchase of investments (refer note 5)	74.91	73.24
	450.31	**316.43**
Current		
Security deposits	36.17	-
Interest accrued on fixed deposits	26.43	30.04
Interest accrued and not due on loans given to related parties (refer note 31)	26.17	8.81
Others	-	1.56
	88.77	**40.41**

Note: Out of the deposits, amount of ₹318.85 (March 31, 2025: ₹167.93) held as lien by banks towards the various fund facilities sanctioned.

8 Other non-current assets

	As at March 31, 2026	As at March 31, 2025
Non-current		
(Unsecured, Considered good)		
Capital advances (refer note below)	1,237.18	1,084.32
Prepaid expenses	46.76	55.43
Balance with statutory authorities - deposits	56.57	50.65
	1,340.51	**1,190.40**

Borrowing costs capitalised during the year amounted to ₹20.20 (March 31, 2025: ₹30.96).

9 Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw material	1,180.76	624.75
Work in progress	1,514.22	961.51
Finished goods	107.23	42.75
Scrap inventory	199.13	104.32
Consumable stores, spares & fixtures	264.98	151.50
	3,266.32	**1,884.83**

Note: Refer Note 15 and 16 for details of inventory subject to charge on secured borrowings.

AZAD

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

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

10 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Unsecured,		
- Considered good (refer note below)	3,092.38	2,215.82
- Credit impaired	89.93	72.15
	3,182.31	**2,287.97**
Allowance for credit impaired		
Less: Allowance for credit impaired	(89.93)	(72.15)
	3,092.38	**2,215.82**

Notes:

i No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

ii Trade receivables are non - interest bearing and generally on terms of 30 to 180 days

iii Trade receivables include debts from related parties (refer note 31)

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36

Movement in the allowance for credit impaired is as follows:

	As at March 31, 2026	As at March 31, 2025
Opening balance	72.15	36.39
Credit loss added	17.78	35.76
Closing balance	**89.93**	**72.15**

Ageing schedule of trade receivables outstanding as at March 31, 2026 is as follows:

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables considered good	2,206.13	694.38	122.23	130.00	12.93	16.64	3,182.31
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**2,206.13**	**694.38**	**122.23**	**130.00**	**12.93**	**16.64**	**3,182.31**
Less: Impairment loss on credit impaired trade receivables							89.93
Total	**2,206.13**	**694.38**	**122.23**	**130.00**	**12.93**	**16.64**	**3,092.38**

There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Ageing schedule of trade receivables outstanding as at March 31, 2025 is as follows:

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables considered good	1,144.39	963.19	115.45	35.57	18.14	11.23	2,287.97
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**1,144.39**	**963.19**	**115.45**	**35.57**	**18.14**	**11.23**	**2,287.97**
Less: Impairment loss on credit impaired trade receivables							72.15
Total	**1,144.39**	**963.19**	**115.45**	**35.57**	**18.14**	**11.23**	**2,215.82**

There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

11 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	110.51	156.44
In EEFC Accounts	111.96	234.14
Cash on hand	13.35	13.17
	235.82	**403.75**
(b) Bank balances other than Cash and cash equivalents:		
Deposit with original maturity for more than 3 months but less than 12 months [refer note (i) below]	-	55.44
Earmarked balances with banks [refer note (ii) below]	1,599.99	6,500.00
	1,599.99	**6,555.44**
	1,835.81	**6,959.19**

Notes:

(i) Out of the deposits, amount of Nil (March 31, 2025: ₹2.98) held as lien by banks towards the various fund facilities sanctioned.

(ii) Earmarked balances with banks primarily includes deposits placed with banks out of QIP proceeds (refer note 42).

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

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

12 Other current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	422.77	242.72
Advances to employees	12.07	8.93
Balance with government authorities	1,082.25	526.33
Other deposits and advances	5.05	5.19
Prepaid expenses	30.86	11.92
IPO Receivables	-	14.70
	1,553.00	**809.79**

13 Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorized share capital		
7,50,00,000 (March 31, 2025: 7,50,00,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and paid up		
6,45,81,743 (March 31, 2025: 6,45,81,743) equity shares of ₹2 each	129.16	129.16
	129.16	**129.16**

Notes:

(i) Reconciliation of authorised share capital at the beginning and at the end of the year:

Particulars	**For the year ended March 31, 2026**		**For the year ended March 31, 2025**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Outstanding at the beginning of the year	7,50,00,000	150.00	7,50,00,000	150.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	7,50,00,000	150.00	7,50,00,000	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, 2026**		**For the year ended March 31, 2025**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Outstanding at the beginning of the year	6,45,81,743	129.16	5,91,12,993	118.23
Add:				
Shares issued during the year (refer note 42)	-	-	54,68,750	10.93
Outstanding at the end of the year	6,45,81,743	129.16	6,45,81,743	129.16

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

(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, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,54,44,988	54.88%	3,83,30,255	59.35%

As per the records of the Company, including its Register of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both the legal and beneficial ownership of the shares

(v) Shareholding of promoters

Name of promoter	As at March 31, 2026		As at March 31, 2025		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,54,44,988	54.88%	3,83,30,255	59.35%	(7.53)%

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%	0%

(vi) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2026 other than 4,12,95,650 bonus equity shares of Rs. 2/- each issued and allotted to its shareholders by capitalising General reserves amounting to ₹825.90 in the financial year 2023-24.

14 Other equity

	As at March 31, 2026	As at March 31, 2025
Securities premium [refer note (i)]	11,415.12	11,392.70
Retained earnings [refer note (ii)]	3,942.02	2,620.41
Capital redemption reserve [refer note (iii)]	39.00	39.00
Remeasurement of defined benefit obligations (net of tax) [refer note (iv)]	(5.52)	(5.24)
Total other equity	**15,390.62**	**14,046.87**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Notes:

(i) Securities premium	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	11,392.70	4,562.97
Add: Issue of equity shares during the year [refer note 13(ii)]	-	6,989.06
Less: Share issue expenses [refer note 13(ii)]	22.42	(159.33)
Closing balance	**11,415.12**	**11,392.70**

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 March 31, 2026	For the year ended March 31, 2025
Opening balance	2,620.41	1,735.16
Add: Profit for the year	1,321.61	885.25
Closing balance	**3,942.02**	**2,620.41**

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

(iii) Capital redemption reserve	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	39.00	39.00
Add: Changes during the year	-	-
Closing balance	**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) Remeasurement of defined benefit obligations (net of tax)	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(5.24)	(4.30)
Add: Remeasurement of net defined benefit liability net of income tax	(0.28)	(0.94)
Closing balance	**(5.52)**	**(5.24)**

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

15 Long term borrowings (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Secured		
- from bank [refer note (i), (ii), (iii) and (v)]	2,705.24	1,641.11
- from financial institution [refer note (iv) and (vi)]	562.69	236.53
Unsecured		
Vehicle loans [refer note (vii)]	72.16	38.84
Less : Current maturities of long term borrowings	(556.70)	(237.46)
Total	**2,783.39**	**1,679.02**

Notes:

i) Terms of long term loan from consortium banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

The Company has taken the term loan under consortium arrangement which is lead by UBI- ₹400.33 (March 31, 2025: 411.80), IndusInd ₹477.25 (March 31, 2025: 420.04) and ICICI Bank ₹417.81 (March 31, 2025: ₹394.56) as other members, with interest rate ranging from 6.5%-10.9% which are repayable in 22 quarterly installements for Indusind, 66 Monthly equal installments for ICICI & UBI

The primary security for the loans consists of:

a. First pari-passu charge by way of hypothecation on the Company's entire property, plant and equipment (present and future).

b. Second pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

The collateral security for the loan includes:

a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

(ii) Terms of Long-Term Loan (Equipment Finance) from HDFC Bank

The Company has taken equipment finance loan with interest rate ranging from 8.05% to 9.05% repayable in 72 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹383.51 (March 31, 2025: ₹187.04)

(iii) Terms of Long-Term Loan (Equipment Finance) from Yes Bank

The Company has taken Equipment Finance loan with interest rate ranging from 8.15%-9.30% repayable in 60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹489.16 (March 31, 2025: ₹227.67)

(iv) Terms of Long-Term Loan (Equipment Finance) from TATA Capital

The Company has taken Equipment Finance loan with interest rate ranging from 9.32%-14.05% repayable in 48-60 monthly equal/unequal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹163.53 (March 31, 2025: ₹236.53)

(v) Terms of Long-Term Loan (Equipment Finance) from Bandhan Bank

The Company has taken equipment finance loan with interest rate 8.25% repayable in 52 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹537.18 (March 31, 2025: ₹Nil)

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

(vi) Terms of Long-Term Loan (Equipment Finance) from Bajaj Finance

The Company has taken equipment finance loan with interest rate 8.45% to 8.70% repayable in 60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹399.16 (March 31, 2025: ₹Nil)

(vii) Vehicle loans

The Company has taken vehicle loans from Yes bank ₹0.37 (March 31, 2025: ₹4.32), IDFC First bank ₹Nil (March 31, 2025: ₹1.24), HDFC Bank ₹36.54 (March 31, 2025: ₹20.98), Bank of Baroda ₹5.94 (March 31, 2025: ₹12.30) and ICICI ₹29.31 (March 31, 2025: ₹NIL) with interest ranging from 8.06% to 11.04% which are repayable in 24-60 monthly equal installments. The said loans are secured by way of hypothecation on vehicles purchased.

(viii) The above long term borrowings are net of unamortized processing charges

16 Short-term borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Working capital loans (refer below note)	1,175.71	466.89
Current maturities of long term borrowings (refer note 15)	556.70	237.46
	1,732.41	**704.35**

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

1. The Company has taken working capital demand loan under consortium arrangement which is lead by UBI ₹491.82 (March 31, 2025: 148.15) and has IndusInd ₹385.66 (March 31, 2025: 171.49) and ICICI Bank ₹298.23 (March 31, 2025: ₹147.25) as other members, with interest rate ranging from 6.3%-9.75% and repayable on demand.

   The primary security for the loans consists of:

   a. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

   b. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

   The collateral security for the loan includes:

   a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

   b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

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

17 Trade payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	180.10	299.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	683.26	489.77
	863.36	**789.58**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days term.

(ii) Refer note 36 for the Company's liquidity and currency risk management process

(iii) Refer note 31 for trade payables to related parties

Trade payables ageing schedule as at March 31, 2026

	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	89.88	82.93	7.22	0.07	-	180.10
(ii) Others	239.08	437.11	6.56	0.04	0.48	683.26
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	328.97	**520.04**	**13.77**	**0.10**	**0.48**	**863.36**

Trade payables ageing schedule as at March 31, 2025

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	149.39	150.32	0.10	-	-	299.81
(ii) Others	190.06	291.15	8.07	0.44	0.05	489.77
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	339.45	**441.47**	**8.17**	**0.44**	**0.05**	**789.58**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

18 Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
i. Provision for gratuity (refer note 35)		
Non-current	59.81	45.89
Current	7.34	4.80
ii. Provision for compensated absences		
Current	0.81	1.45
	67.96	**52.14**
Non-current	59.81	45.89
Current	8.15	6.25

19 Deferred tax liabilities (net)*

	As at March 31, 2026	As at March 31, 2025
Property, plant and equipment	539.38	325.81
Borrowings	3.42	4.20
Receivables credit impaired	(26.17)	(20.99)
Right-of-use assets (net of lease liability)	(3.32)	(0.81)
Provision for employee benefits	(19.60)	(14.69)
Other timing difference	(3.14)	(19.14)
	490.57	**274.38**

*refer note 38

20 Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	131.10	108.03
Interest accrued but not due on borrowings	15.19	3.51
Capital creditors	117.91	54.53
Other payables	46.62	145.73
IPO expense payable	-	44.78
QIB expense payable	3.00	136.03
Interest on suppliers registered under MSME Act, 2006	0.66	0.66
	314.48	**493.27**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

21 Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory due payable	36.39	20.12
Advance from customers	9.46	43.29
Others payables	0.08	0.36
	45.93	**63.77**

22 Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Current tax payable	326.83	351.71
Current tax assets		
Advance tax including self assessment tax	(296.00)	(168.74)
TDS and TCS receivable	(21.83)	(4.33)
	9.00	**178.64**

23 Revenue from operations

	For the year ended March 31,2026	For the year ended March 31,2025
Revenue from contracts with customers (refer note 39)		
Sale of products	4,659.30	3,716.31
Sale of services	1,164.53	677.40
Other operating revenue		
- Scrap sales	50.87	99.64
- Export incentives	29.05	35.93
	5,903.75	**4,529.28**

24 Other income

	For the year ended March 31,2026	For the year ended March 31,2025
Net gain on foreign currency transactions and translations	214.01	45.59
Interest income		
- on fixed deposits	225.49	52.20
- Financial assets at amortised cost	2.50	3.12
Interest on loan to related parties	19.29	9.78
Liabilities no longer required written back	14.00	-
Miscellaneous income	0.04	4.80
	475.33	**115.49**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

25(a) Cost of materials Consumed

	For the year ended March 31,2026	For the year ended March 31,2025
Opening stock of raw material	624.75	529.24
Add: Purchases	1,838.44	1,129.81
Less: Closing stock of raw material	(1,180.76)	(624.75)
	1,282.43	**1,034.30**

(b) Changes in inventories of finished goods, work-in-progress and scrap inventory

	For the year ended March 31,2026	For the year ended March 31,2025
Inventory at the beginning of the year		
Work in progress	961.51	600.70
Finished goods	42.75	19.83
Scrap inventory	104.32	80.99
	1,108.58	**701.52**
Inventory at the end of the year		
Work in progress	(1,514.22)	(961.51)
Finished goods	(107.23)	(42.75)
Scrap inventory	(199.13)	(104.32)
	(1,820.58)	(1,108.58)
	(712.00)	**(407.06)**

26 Employee benefits expense

	For the year ended March 31,2026	For the year ended March 31,2025
Salaries, wages and bonus	1,198.54	832.77
Contribution to provident and other funds (refer note 35)	30.81	21.54
Gratuity expenses (refer note 35)	15.80	11.47
Staff welfare expenses	65.06	44.14
	1,310.21	**909.92**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

27 Finance costs

	For the year ended March 31,2026	For the year ended March 31,2025
Interest on		
- Term loans	129.67	48.11
- Working capital loans	61.83	30.08
- Lease liabilities	11.36	12.01
- Others	6.64	15.03
Exchange differences regarded as an adjustment to borrowing costs	13.23	1.99
Bank charges	8.18	6.26
Other borrowing costs	66.16	65.88
	297.07	**179.36**

* Borrowing costs capitalised during the year amounted to ₹92.04(March 31, 2025: ₹45.60).

28 Depreciation expense

	For the year ended March 31,2026	For the year ended March 31,2025
Depreciation of property, plant and equipment (refer note 3(a))	482.63	270.76
Depreciation of right-of-use assets (refer note 3(b))	18.26	15.15
	500.89	**285.91**

29 Other expenses

	For the year ended March 31,2026	For the year ended March 31,2025
Stores and spares consumed	251.61	174.02
Job work charges	370.91	368.71
Tools	267.27	186.68
Repairs and maintenance :		
- Machinery	46.18	25.45
- Others	21.08	13.59
Transportation charges	140.72	97.49
Power and fuel	250.42	160.23
Inspection and testing	40.89	24.89
Sales commission	8.67	8.67
Advertisement expenses	1.19	2.20
Business promotion	14.39	8.45
Communication, broadband and internet expenses	4.26	3.43
Insurance	13.80	11.06
Travelling and conveyance expenses	39.25	34.59
Rent [refer note 3(b)]	16.36	13.95

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Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

	For the year ended March 31,2026	For the year ended March 31,2025
Rates and taxes	33.95	28.49
Professional & consultancy fees	47.35	25.81
Printing , stationary, postage and courier	11.79	13.33
Auditors remuneration [refer note (i) below]	5.54	5.20
Corporate social responsibility (CSR) expenses [refer note (ii) below]	14.01	8.19
Security charges	23.03	22.36
Outsourced manpower cost *	163.48	85.60
Provision for credit impaired trade receivable (refer note 10)	17.87	35.76
Allowance for advances written off	6.06	-
Miscellaneous expenses	35.55	24.02
	1,845.63	**1,382.17**

*Includes gratuity expense of ₹2.60

Note (i) Auditors remuneration

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

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
As auditor		
- Statutory audit	3.90	3.90
- Limited review	1.20	1.10
- Certification	0.30	-
- Out of pocket expenses	0.14	0.20
	5.54	**5.20**

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 31,2026	For the year ended March 31,2025
(1) Gross amount required to be spent by the Company during the year	14.01	8.19 *
(2) Amount spent during the year on		
- construction/acquisition of any asset	-	-
- on purpose other than above	14.01	15.29
(3) Shortfall/(excess) at the end of the year	-	(1.57)
(4) Total of previous years shortfall/(excess)	-	(1.57)

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
(5) Reason for shortfall/(excess)	-	carried forward to next year
(6) Nature of CSR activities	Education, Environmental sustainability, Setting up Old age homes and PM Care Fund	
(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

* During the financial year ended March 31, 2025, the Company contributed ₹8.19 to the PM CARES Fund on March 28, 2025, in compliance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs vide notification dated January 22, 2021.

30 Contingent liabilities and commitments

(a) Contingent liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Direct tax	19.67	19.67
Goods and service tax	2.13	13.20
Customs duty	220.94	75.11
Guarantees issued by Company on behalf of Subsidiary (refer note 31)	50.59	52.45

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Goods and Services Tax Act, 2017

The Company had received demand orders from the Adjudicating Authority, namely the Assistant Commissioner of Central Tax, pursuant to GST audit proceedings for FY 2019-20 and FY 2020-21, against which appeals were filed before the Commissioner (Appeals).

For FY 2019-20, the Commissioner (Appeals) has dropped the tax demand raised by the department; however, interest and penalty aggregating to ₹0.09 is outstanding.

For FY 2020-21, tax demand of ₹0.98 along with applicable interest and penalty aggregating to ₹1.04 have been confirmed by the Commissioner (Appeals). Based on the evaluation, the Company believes that it has a reasonably strong case on merits and is in the process of filing further appeals before the GST Appellate Tribunal against the amounts confirmed in the appellate orders

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 and EODS pending. 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 has received intimation from Customs towards payment of duty amounting to ₹218.57 Mn.

The Company has filed an appeal against an order passed by the Additional Commissioner of Customs confirming recovery of duty drawback amounting to ₹2.37 along with applicable interest, on the grounds that export proceeds relating to exports made during FY 2014-15 were realized beyond the timelines prescribed under FEMA. The drawback pertained to exports undertaken under the erstwhile Drawback Rules, 1995.

(b) Capital commitments

Particulars	As at March 31, 2026	As at March 31, 2025
i. Unexecuted capital orders to the extent not provided for (net of capital advance paid)	1,182.77	523.34
ii. The Company has entered into purchase of investment commitment (refer note 5)		

31 Related party disclosures

(a) Names of related parties and related party relationship

Nature of relationship	Name of the related party
Subsidiary companies	Azad VTC Private Limited (w.e.f March 29, 2024)
	Azad Prime Private Limited (w.e.f April 12, 2024)
Key managerial persons:	Rakesh Chopdar - Chairman and Chief Executing Officer
	Jyoti Chopdar - Whole Time Director
	Vishnu Pramodkumar Malpani - Whole Time Director
	Madhusree Vemuru - Non Executive & Independent Director

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Nature of relationship	Name of the related party
	Michael Joseph Booth - Non Executive & Independent Director
	Subba Rao Ambati - Non Executive & Independent Director
	Deepak Kabra - Non Executive & Independent Director (w.e.f January 3, 2025)
	Murali Krishna Bhupatiraju Managing Director (w.e.f January 3, 2025)
	Ronak Jajoo - Chief Financial Officer
	Praneeth Abhishek Gunda - Company Secretary (w.e.f November 29, 2025)
	Ful Kumar Gautam - Company Secretary (till November 28, 2025)
Relatives of KMPs	Kartik Chopdar
	Satwik Chopdar
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Swastik Coaters Pvt Ltd
	Rouland Chemicals Pvt Ltd
	Agrima Logipark

(b) Transactions with subsidiaries

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Job work charges:		
Azad VTC Private Limited	60.33	5.86
Azad Prime Private limited	1.04	-
Loans given:		
Azad VTC Private Limited	-	27.10
Azad Prime Private limited	7.53	161.78
Investments made:		
Azad VTC Private Limited	-	0.10
Azad Prime Private limited	-	0.10
Corporate Guarantee given /(released) (net):		
Azad VTC Private Limited	(1.86)	65.00
Interest Income		
Azad VTC Private Limited	2.71	1.83
Azad Prime Private limited	16.58	7.95

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

(c) Balances with subsidiaries

Particulars	As at March 31, 2026	As at March 31, 2025
Loans		
Azad VTC Private Limited	27.10	27.10
Azad Prime Private limited	169.31	161.78
Trade payables		
Azad VTC Private Limited	23.43	1.12
Investments made:		
Azad VTC Private Limited	0.10	0.10
Azad Prime Private limited	0.10	0.10
Interest accrued but not due on Loans		
Azad Prime Private limited	22.08	7.16
Azad VTC Private Limited	4.09	1.65
Coroporate Guarantee given to		
Azad VTC Private Limited	50.59	52.45

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
KMPs Remuneration#:		
Rakesh Chopdar	48.00	48.00
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	7.20	7.42
Murali Krishna Bhupatiraju	16.71	9.99
Ful Kumar Gautam	2.56	2.13
Ronak Jajoo	5.55	5.28
Praneeth Abhishek Gunda	1.03	-
KMPs Relatives Remuneration# :		
Kartik Chopdar	5.75	4.87
Satwik Chopdar	0.92	0.48
KMPs Sitting fees and Reimbursemet of expense:		
Sitting fee	4.36	2.09
Reimbursement of Expenses	2.10	-

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for selected individuals.

Notes forming part of the standalone financial statements
for the year ended March 31, 2026

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

(e) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2026	As at March 31, 2025
Other current financial liabilities (salaries payable)		
Rakesh Chopdar	-	1.50
Jyoti Chopdar	-	1.00
Kartik Chopdar	0.33	0.29
Ronak Jajoo	0.19	0.44
Vishnu Pramodkumar Malpani	0.27	0.60
Satwik Chopdar	0.12	0.04
Murali Krishna Bhupatiraju	0.44	1.09
Praneeth Abhishek Gunda	0.28	-
Ful Kumar Gautam	-	0.10
Trade Payables		
Sittings fees Paybales	1.50	1.36

(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, 2026	For the year ended March 31, 2025
Sale of goods or services		
Atlas Fasteners	17.19	2.24
Rental expense:		
Swastik Coaters Pvt Ltd	1.56	1.48
Rouland Chemicals Pvt Ltd	1.56	1.48
Agrima Logipark	13.06	12.20
Purchase of fixed assets		
Atlas Fasteners	5.31	-
Reimbursements		
Swastik Coaters Pvt Ltd	0.71	-
Interest Income		
Swastik Coaters Pvt Ltd	0.20	0.20
Rouland Chemicals Pvt Ltd	0.20	0.20
Jobwork expense		
Atlas Fasteners	0.59	1.11

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

(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, 2026	As at March 31, 2025
Trade receivables		
Atlas fasteners	23.98	3.90
Advance to suppliers (Included in other current assets)		
Atlas fasteners	10.80	12.40
Security deposits (included in other non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	4.96
Rouland Chemicals Pvt Ltd	4.96	4.96
Forgen Power Parts Private Limited	2.00	2.00
Trade payables		
Rouland Chemicals Pvt Ltd	1.29	0.89
Agrima Logipark	6.86	-
Advances for purchase of goods & services		
Swastik Coaters Pvt Ltd	0.33	0.83

32 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, 2026	For the year ended March 31, 2025
Earnings		
Profit after tax for the year attributable to equity shareholders	1,321.61	885.25
Profit for the year considered for calculation of diluted earnings per share	1,321.61	885.25
Shares		
Original number of equity shares	6,45,81,743	5,91,12,993
Add : Equity shares issued during the year	-	54,68,750
No of shares at the end of the year	**6,45,81,743**	**6,45,81,743**
Weighted average number of equity shares		
For calculating Basic EPS	6,45,81,743	5,95,47,496
Effect of dilution:		
Weighted average number of equity shares for Diluted EPS	6,45,81,743	5,95,47,496
Earnings Per Share		
Face Value ₹2 per share		
Basic (₹)	20.46	14.87
Diluted (₹)	20.46	14.87

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Note: No potential equity shares are outstanding as at March 31, 2026 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered dilutive EPS.

33 Segment reporting

In accordance with Ind AS 108 - 'Operating segments', segment information has been disclosed in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is provided in the standalone financial statements.

34 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, 2026	For the year ended March 31, 2025
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	180.10	299.81
ii) Interest due thereon remaining unpaid to supplier at the end of the year	0.66	0.66
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)	-	3.55
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)	0.66	0.66

35 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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, 2026 aggregated to ₹26.65 (March 31, 2025 : ₹17.72) (refer note 26)

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, 2026 aggregated to ₹4.16 (March 31, 2025 : ₹3.82) (refer note 26)

ii) Defined benefit plan

Gratuity expenses for the year March 31, 2026 aggregated to ₹18.41 (March 31, 2025: ₹11.47). The Company's gratuity plan is unfunded. (refer note 26)

d) Amounts recognised in the standalone financial statements as at year end for Gratuity are as under:

	Particulars	As at March 31, 2026	As at March 31, 2025
i)	**Change in present value of obligation**		
	Present value of the obligation at the beginning of the year	50.69	39.46
	Current service cost	15.19	8.84
	Interest cost	3.22	2.63
	Actuarial (gain)/loss on obligation - due to change in financial assumptions	(4.38)	1.36
	Actuarial (gain)/loss on obligation - due to experience adjustments	4.77	(0.04)
	Benefits paid	(2.34)	(1.56)
	Present value of the obligation at the end of the year	**67.15**	**50.69**
ii)	**Bifurcation of present value of benefit obligation**		
	Current - Amount due within one year	7.34	4.80
	Non-current - Amount due after one year	59.81	45.89
	Total	**67.15**	**50.69**
iii)	**Expected benefit payments in future years**		
	Year 1	7.34	4.80
	Year 2	5.06	3.95
	Year 3	5.62	3.44
	Year 4	5.46	4.19
	Year 5	5.57	3.99
	Year 6 to Year 10	27.51	19.92
iv)	**Sensitivity analysis**		
	Discount rate - 1 % increase	61.93	46.53
	- 1 % decrease	73.20	55.55
	Salary escalation rate - 1 % increase	73.05	55.40
	- 1 % decrease	61.95	46.58

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

	Particulars	As at March 31, 2026	As at March 31, 2025
v)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current service cost	15.19	8.83
	Net interest on net defined liability / (asset)	3.22	2.64
	Expenses recognised in Statement of Profit and Loss	**18.41**	**11.47**
vii)	**Recognised in other comprehensive income for the year**		
	Actuarial Gains / (Losses) on Liability	(0.39)	(1.32)
	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above	-	-
	Recognised in other comprehensive income	**(0.39)**	**(1.32)**
viii)	**Actuarial assumptions**		
	i) Discount rate	7.40%	6.66%
	ii) Salary escalation rate	3.00%	3.00%
	iii) Retirement age	58 years	58 years
	iv) Attrition rate	5.00%	5.00%
	v) Mortality rate	IALM(2012-14) Ult.	IALM(2012-14) Ult.

36 Financial instruments

A. Financial instruments by category	Method of valuation	Note	As at March 31, 2026	As at March 31, 2025
Financial assets				
Non current				
(i) Investments	Cost	5	0.20	0.20
(ii) Loans	Amortised Cost	6	196.41	188.88
(iii) Other financial assets	Amortised Cost	7	450.31	316.43
Current				
(i) Trade receivables	Amortized Cost	10	3,092.38	2,215.82
(ii) Cash and cash equivalents	Amortized Cost	11(a)	235.82	403.75
(iii) Bank balances other than (ii) above	Amortized Cost	11(b)	1,599.99	6,555.44
(iv) Other financial assets	Amortized Cost	7	88.77	40.41
Total financial assets			**5,663.88**	**9,720.93**
Financial liabilities				
Non current				
(i) Borrowings	Amortised cost	15	2,783.39	1,679.02
(ia) Lease liabilities	Amortised cost	3(b)	112.52	123.65
Current				
(i) Borrowings	Amortised cost	16	1,732.41	704.35
(ia) Lease liabilities	Amortised cost	3(b)	11.94	10.45
(ii) Trade payables	Amortised cost	17	863.36	789.58
(iii) Other financial liabilities	Amortised cost	20	314.48	493.27
Total financial liabilities			**5,818.10**	**3,800.32**

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

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, 2026	For the year ended March 31, 2025
Revenue from top customer	1,123.97	631.30
Revenue from top 5 customers (other than above customer)	1,711.10	2,314.75

Two customers accounts for more than 10% of the revenue for the year ended March 31, 2026 (March 31, 2025: One customer).

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 credit impaired is as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	72.15	36.39
Credit loss added	17.78	35.76
Closing balance	89.93	72.15

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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, 2026

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding Current maturities of long term borrowings)	2,783.39	-	2,783.39	-	2,783.39
Lease liabilities	124.46	22.36	105.36	47.65	175.37
Short-term borrowings	1,732.41	1,732.41	-	-	1,732.41
Trade payables	863.36	863.36	-	-	863.36
Other financial liabilities	314.48	314.48	-	-	314.48
Total	**5,818.10**	**2,932.61**	**2,888.75**	**47.65**	**5,869.01**

As at March 31, 2025

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding Current maturities of long term borrowings)	1,679.02	-	1,633.51	45.52	1,679.02
Lease liabilities	134.10	21.00	81.66	93.70	196.36
Short-term borrowings	704.35	704.35	-	-	704.35
Trade payables	789.58	789.58	-	-	789.58
Other financial liabilities	493.27	493.27	-	-	493.27
Total	**3,800.32**	**2,008.20**	**1,715.17**	**139.22**	**3,862.58**

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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

(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, 2026	As at March 31, 2025
Variable rate borrowings	3,450.60	1,345.57
Fixed rate borrowings	1,065.20	1,037.80

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, 2026	As at March 31, 2025
Sensitivity		
1% increase in variable rate	(34.51)	(13.46)
1% decrease in variable rate	34.51	13.46

(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 Other Currencies	Equivalent amount in INR
March 31, 2026						
Trade receivable	24.18	2,292.95	5.68	618.85	-	-
Trade payable	1.09	104.90	0.06	6.29	1.06	6.87
Borrowings	1.13	107.16	8.26	900.28	-	-
March 31, 2025						
Trade receivable	20.50	1,752.14	5.12	471.27	-	-
Trade payable	0.98	84.07	0.09	8.30	9.73	8.50
Borrowings	-	-	8.93	821.99	-	-
Advance from customers	0.09	6.11	0.11	9.44	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

(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, 2026					
	USD	104.04	(104.04)	73.75	(73.75)
	EURO	(14.39)	14.39	(10.20)	10.20
	JPY	(0.03)	0.03	(0.02)	0.02
	GBP	(0.32)	0.32	(0.22)	0.22
March 31, 2025					
	USD	83.71	(83.71)	59.33	(59.33)
	EURO	(17.48)	17.48	(12.39)	12.39
	JPY	(0.43)	0.43	(0.30)	0.30

37 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, 2026	As at March 31, 2025
Total debt (refer note 15 and 16)	4,515.80	2,383.37
Less : cash and cash equivalents and bank balances (refer note 11(a) and 11(b))	1,835.81	6,959.19
Adjusted net debt	2,679.99	(4,575.82)
Total equity	15,519.78	14,176.03
Gearing ratio	0.15	(0.48)

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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, 2026 and March 31, 2025.

Refer note 45(10) of standalone financial statements for return on capital employed.

38 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2026	For the year ended March 31, 2025
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current tax**		
	Current year	320.89	307.73
	Tax pertaining to earlier years	(3.96)	19.69
	Total (A)	**316.93**	**327.42**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	216.31	47.50
	Total (B)	**216.31**	**47.50**
	Total (A+B)	**533.24**	**374.92**
C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	(0.11)	(0.38)
		(0.11)	**(0.38)**

Current tax (assets) / liabilities (net)

		As at March 31, 2026	As at March 31, 2025
D.	Advance tax Including TDS receivable and self assessment tax	(317.83)	(173.07)
E.	Provision for tax	326.83	351.71
		9.00	**178.64**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before income taxes	1,854.85	1,260.17
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	540.00	367.00
Tax effect of expenditure disallowed under income tax	(2.94)	7.30
Tax effect of earlier years (net)	(3.96)	0.44
Others	0.14	0.18
Total income tax expense	**533.24**	**374.92**

Movement during the year ended March 31, 2026	As at April 01, 2025	MAT Credit Utilisation	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2026
Deferred tax (assets)/liabilities					
On property, plant and equipment	325.81	-	213.57	-	539.38
On provision for employee benefits	(14.69)	-	(4.79)	(0.11)	(19.60)
Provision for Credit impaired	(20.99)	-	(5.18)	-	(26.17)
Borrowings	4.20	-	(0.78)	-	3.42
Right of use assets (net of lease liability)	(0.81)	-	(2.51)	-	(3.32)
Other timing difference	(19.14)	-	16.00	-	(3.14)
Total	**274.38**	**-**	**216.31**	**(0.11)**	**490.57**

Movement during the year ended March 31, 2025	As at April 01, 2024	MAT Credit Utilisation	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2025
Deferred tax (assets)/liabilities					
On property, plant and equipment	247.56	-	78.25	-	325.81
On provision for employee benefits	(11.57)	-	(2.74)	(0.38)	(14.69)
Provision for credit impaired	(10.58)	-	(10.41)	-	(20.99)
Borrowings	0.52	-	3.68	-	4.20
Right of use assets (net of lease liability)	1.33	-	(2.14)	-	(0.81)
MAT Credit Entitlement	(16.58)	16.58	-	-	-
Other timing difference	-	-	(19.14)	-	(19.14)
Total	**210.68**	**16.58**	**47.50**	**(0.38)**	**274.38**

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

39 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income from sale of products	4,659.30	3,716.31
Income from sale of services	1,164.53	677.40
Income from - scrap sales	50.87	99.64
Export incentives	29.05	35.93
	5,903.75	**4,529.28**
Disaggregated revenue information		
Geographic revenue		
Revenue from contract with customers		
With in India	412.97	365.27
Outside India	5,490.78	4,164.01
	5,903.75	**4,529.28**
Timing of revenue recognition		
Services transferred at a point of time	1,193.58	713.33
Goods transferred at a point of time	4,710.17	3,815.95
Total revenue from contracts with customers	**5,903.75**	**4,529.28**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	5,903.75	4,529.28
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**5,903.75**	**4,529.28**

Contract balances

	As at March 31, 2026	As at March 31, 2025
Receivables, which are included in Trade receivables	3,092.38	2,215.82
Revenue received in advance, which are included in 'Other liabilities'	9.46	43.29

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

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.

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

41 Subsequent events

Subsequent to March 31, 2026, the Nomination and Remuneration Committee (NRC) of the Board of Directors at its meeting held on May 12, 2026, approved a grant of 80,000 options to eligible employee(s) under the Employee Stock Option Scheme. Each option provides the right to apply for one equity share of face value of ₹2/- each at an exercise price of ₹1050/-

As these options were granted subsequent to the reporting date, they do not impact the employee compensation cost or the basic/diluted earnings per share reported for the financial year ended March 31, 2026.

42 Utilisation of funds raised through Qualified Instituions Placement (QIP)

During the quarter ended March 31, 2025, pursuant to Qualified Institutions Placement ('QIP') the Company issued and allotted 5,468,750 equity shares of face value of ₹2 each, to eligible Qualified Institutional Buyers ('QIBs') at the issue price of ₹1,280 (including a premium of ₹1,278 per equity share) aggregating to ₹7,000.00 Mn. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The details of funds raised through Qualified Institutional Placement (QIP) by the Company and utilisation of said funds as of March 31, 2026 are as follows

Objects of the issue as per placement document	Amount to be utilised as per placement document	Utilisation up to March 31, 2026	Unutilised amount up to March 31, 2026*
Funding and part-funding the capital expenditure of our Company	5,250.00	3,686.65	1,563.35
General corporate purposes	1,562.10	1,562.10	-
Issue Expenses	187.90	153.98**	33.92
Total	**7,000.00**	**5,402.73**	**1,597.27**

* The net unutilised QIP proceeds were temporarily invested in deposits with commercial banks. Interest earned on such deposits are in the monitoring account / fixed deposits.

** Excludes ₹31.22 Mn paid from the Company's current account towards QIP expenses, including Goods and Services Tax, which are yet to be reimbursed from the Monitoring Agency account.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

43 Other 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 and right of use asset during the financial year.

(o) Quarterly returns and statements filed by the Company with banks or financial institutions are in agreement with the books of accounts

(p) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes.

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

44 Note on Social Security Code: On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated the potential impact of these changes based on the Labour Codes, draft rules, FAQs, and available legal opinions. Based on the assessment carried out, no material impact is envisaged at present. The Company continues to monitor the finalisation of Central / State Rules and further clarifications from the Government and will account for any consequential impact, if required, upon such developments.

45 Ratios as per the Schedule III requirements

Sno	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance	Variation	Reason for change more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	3.29	5.30	(2.01)	-37.86%	Decrease was primarily on account of decrease in cash and cash equivalents (utilization of QIP proceeds for capital expenditure towards property, plant and equipment)
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	0.29	0.17	0.12	73.07%	Increase in long term loan during the year for funding the capital expenditure towards fixed assets
3	Debt Coverage Ratio	Earnings available for debt service	Total Interest and principal repayments	4.13	4.81	(0.68)	-14.13%	Not a major Variance
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Total equity	0.09	0.06	0.02	36.37%	Increase was primarily on account of increase in profits
5	Inventory turnover ratio (In times)	Cost of goods sold	Average Inventory	0.22	0.39	(0.17)	-43.25%	Decrease was on account of improved cost of goods sold margin and Increase in inventories (mainly due to capacity additions during year)
6	Trade receivables turnover ratio (in times)	Credit sales	Average Trade Receivables	2.22	2.31	(0.09)	-3.71%	Not a major Variance

Notes forming part of the standalone financial statements

for the year ended March 31, 2026

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

Sno	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance	Variation	Reason for change more than 25%
7	Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	2.22	1.75	0.47	27.11%	Increase was primarily on account of increase in purchases (mainly due to capacity additions during year)
8	Net capital turnover ratio (in times)	Net Sales	Working Capital	0.87	1.33	(0.46)	-34.22%	Decrease was primarily on account of increase in trade receivables and inventories
9	Net profit ratio (in %)	Net profit after tax	Sales	0.22	0.20	0.03	14.54%	Not a major Variance
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed	0.11	0.09	0.02	23.55%	Not a major Variance

46 The standalone financial statements were approved by the Board of Directors and authorised for issue on May 15, 2026.

As per our report even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place: Hyderabad
Date : May 15 , 2026

Place: Hyderabad
Date : May 15 , 2026

Independent Auditor's Report

To the Members of **Azad Engineering Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Azad Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, 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, 2026, of consolidated profit (including other comprehensive income),consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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, 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 Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2026. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Revenue Recognition – (Refer note 2.2 (A) of Consolidated Financial Statements):

Revenue is a key performance measure for the Holding Company. Revenue of the Holding Company mainly comprise of sales of goods or services to its customers.

The Holding Company recognises revenue from sale of goods or services, based on the terms and conditions of transactions which varies with different customers, at a point in time upon satisfying its performance obligation and the customer obtaining control of the underlying asset.

In respect of sale transactions executed, there exists significant audit risk with respect to performance obligations whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly cut off for revenue recognition is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the revenue recognition accounting policies as required under the applicable accounting standards.

2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of revenue transactions.

3. Obtained and evaluated customer contracts to assess the basis of revenue recognition and verified, on a sample basis, the underlying supporting documents evidencing transfer of control and fulfilment of performance obligations in accordance with the terms of the contracts and applicable accounting standards.

4. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices and shipping documents, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date.

5. Obtained evidence in respect of revenue transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.

6. Performed analytical procedures on revenue recognized during the year to identify any unusual trends or variances, and obtained explanations and supporting evidence for significant fluctuations noted.

7. Tested, on a sample basis, journal entries relating to revenue recognition to assess the appropriateness of entries recorded.

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 Director's report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's statement and Business Responsibility and Sustainability Reporting, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's statement and Business Responsibility and Sustainability Reporting if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are 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, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and 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 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 company 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Holding Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).

   In respect of Subsidiaries, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except that in the absence of sufficient appropriate audit evidence in respect of two subsidiary companies, we are unable to comment whether back-up of the books of account and other books and papers maintained in electronic mode, have been kept in servers physically located in India on a daily basis.

   (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 Flows 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 Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and its Subsidiary Companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2026 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 1(b) above on reporting under Section 143(3)(b) and paragraph 1(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 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2026.

iv. a. The respective Managements of the Holding Company and its subsidiaries, which are incorporated in India whose financial statements have been audited under the Act, have represented to us and to the best of their knowledge and belief, as disclosed in the note 41(e) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company and its subsidiaries which are incorporated in India whose financial statements have been audited under the Act, have represented to us and to the best of their knowledge and belief, as disclosed in the note 41(f) to consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us which are companies incorporated in India whose financial statements have been audited under the Act, 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) contain any material mis-statement.

v. The Holding Company, subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

vi.

(a) Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 41(n) to the consolidated financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

b. In respect of two subsidiaries, based on our examination which included test checks, these Companies have used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was not enabled from April 01, 2025 to April 13, 2025 and was not enabled at the database level to log any direct data changes for the entire year as explained in note 41(n) to the consolidated financial statements.

Further, where enabled, audit trail feature has operated throughout the period from the date it was enabled for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, reporting on preservation of audit trail is not applicable as audit trail feature is enabled during the year.

2. In our opinion, according to information and explanations given to us, the remuneration paid or provided by the Holding Company and its subsidiary companies incorporated in India to its respective Directors is in accordance with the provisions of this section 197 to the Act.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks by us in the CARO reports of the said companies included in the consolidated financial statements, except for the following:

Sr. No	Name of the Company	CIN	Type of Company (Holding / Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
1.	Azad Engineering Limited	L74210TG1983PLC004132	Holding Company	i(c),vii(a), vii(b) and x(b)
2.	Azad VTC Private Limited	U25920TS2024PTC183898	Subsidiary Company	vii(a) & xvii
3.	Azad Prime Private Limited	U27900TS2024PTC184438	Subsidiary Company	vii(a) & xvii

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226BBVKOK2155

Place : Hyderabad
Date : May 15, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING 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.

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 of the current period 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 LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226BBVKOK2155

Place : Hyderabad
Date : May 15, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZAD ENGINEERING LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Azad Engineering Limited on the Consolidated Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to consolidated financial statements 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 Azad Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and it's subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Group and 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, 2026, based on the internal financial controls with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

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

The respective Management and the Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls 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 issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 Group, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No.:205226
UDIN: 26205226BBVKOK2155

Place : Hyderabad
Date : May 15, 2026

Consolidated Balance Sheet

as at March 31, 2026

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

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	7,632.31	4,166.46
Right-of-use assets	3(b)	161.13	193.85
Capital work-in-progress	4	2,566.82	797.80
Financial assets			
Other financial assets	5	406.66	264.69
Other non-current assets	6	1,340.51	1,214.12
Total non-current assets		**12,107.43**	**6,636.92**
Current assets			
Inventories	7	3,291.13	1,893.01
Financial assets			
(i) Trade receivables	8	3,116.61	2,234.80
(ii) Cash and cash equivalents	9 (a)	245.92	408.33
(iii) Bank balances other than (ii) above	9 (b)	1,599.99	6,561.94
(iv) Other financial assets	5	62.61	31.70
Other current assets	10	1,576.73	840.28
Total current assets		**9,892.99**	**11,970.06**
Total assets		**22,000.42**	**18,606.98**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	129.16	129.16
Other equity	12	15,159.82	13,808.74
Equity attributable to the owners of the parent		**15,288.98**	**13,937.90**
Non controlling Interest		(0.62)	(7.64)
Total equity		**15,288.36**	**13,930.26**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	2,809.47	1,708.65
(ia) Lease liabilities	3(b)	150.46	175.16
(ii) Other financial liabilities	18	171.50	171.50
Provisions	16	61.90	45.89
Deferred tax liabilities (net)	17	492.02	274.38
Total non-current liabilities		**3,685.35**	**2,375.58**
Current liabilities			
Financial liabilities			
(i) Borrowings	14	1,756.92	727.17
(ia) Lease liabilities	3(b)	26.38	22.67
(ii) Trade payables	15		
(a) total outstanding dues of micro and small enterprises		181.12	299.81
(b) total outstanding dues of creditors other than micro and small enterprises		671.62	501.27
(iii) Other financial liabilities	18	320.92	498.35
Provisions	16	8.15	6.25
Other current liabilities	19	51.34	66.98
Current tax liabilities (net)	20	10.26	178.64
Total current liabilities		**3,026.71**	**2,301.14**
Total liabilities		**6,712.06**	**4,676.72**
Total equity and liabilities		**22,000.42**	**18,606.98**
See accompanying notes forming part of the standalone financial statements.	1-46		

As per our report even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place : Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place : Hyderabad
Date : May 15 , 2026

Place : Hyderabad
Date : May 15 , 2026

Consolidated Statement of Profit and Loss
for the year ended March 31, 2026

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

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Income			
Revenue from operations	21	6,029.75	4,573.54
Other income	22	456.54	105.91
Total income (I)		**6,486.29**	**4,679.45**
II. Expenses			
Cost of materials consumed	23(a)	1,304.73	1,049.86
Changes in inventories of finished goods, work-in-progress and scrap inventory	23(b)	(723.50)	(413.08)
Employee benefits expense	24	1,355.23	928.66
Finance costs	25	308.19	183.89
Depreciation expense	26	528.42	294.84
Other expenses	27	1,840.16	1,395.02
Total expenses (II)		**4,613.23**	**3,439.19**
III. Profit before tax (I-II)		**1,873.06**	**1,240.26**
IV. Tax expenses	36		
Current tax		323.68	307.73
Tax expense pertaining to earlier year		(3.96)	19.69
Deferred tax		217.71	47.50
Total tax expense (IV)		**537.43**	**374.92**
V. Profit after tax (III-IV)		**1,335.63**	**865.34**
VI. Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement losses on defined benefit plans		0.04	(1.32)
Tax relating to items that will not be reclassified to profit and loss		0.01	0.38
Total other comprehensive loss for the year, net of tax (VI)		0.05	(0.94)
VII. Total comprehensive income for the year (V + VI)		**1,335.68**	**864.40**
Net profit attributable to:			
i) Owners of the company		1,328.77	873.18
ii) Non controlling interest		6.86	(7.84)
Other Comprehensive Income attributable to:			
i) Owners of the company		(0.11)	(0.94)
ii) Non controlling interest		0.16	-
Total comprehensive income attributable to:			
i) Owners of the company		1,328.66	872.24
ii) Non controlling interest		7.02	(7.84)
Earnings per share (Face value of share ₹2 each)			
- Basic	30	20.57	14.66
- Diluted		20.57	14.66
See accompanying notes forming part of the standalone financial statements.	1-46		

As per our report even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place : Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place : Hyderabad
Date : May 15 , 2026

Place : Hyderabad
Date : May 15 , 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

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

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities			
Profit before tax		1,873.06	1,240.26
Adjustments for :			
Depreciation expense		528.42	294.85
Finance costs		308.19	183.89
Unrealized foreign exchange gain (net)		(158.16)	(15.72)
Provision for credit impaired trade receivable		17.87	35.76
Interest income		(228.48)	(52.40)
Liabilities no longer required written back		(14.00)	-
Allowance for impairment of advances		6.06	-
Operating profit before working capital changes		**2,332.96**	**1,686.64**
Changes in working capital			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(736.91)	(555.78)
Inventories		(1,398.12)	(563.38)
Other financial assets		6.97	(60.30)
Other assets		(739.76)	(252.18)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		61.05	302.44
Other financial liabilities		(230.00)	163.48
Provision for employee benefits		17.96	11.80
Other liabilities		(15.64)	(20.90)
Cash (used in)/generated from operating activities		(701.49)	711.82
Income taxes paid (net of refund)		(488.17)	(175.15)
Net cash (used in)/ flow from operating activities	**A**	**(1,189.66)**	**536.67**
B. Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(5,724.80)	(2,932.52)
Deposits matured/(placed) with banks (net)		4,795.34	(6,229.70)
Interest income received		215.24	4.26
Advance towards purchase of Investments		-	(19.11)
Net cash flow used in investing activities	**B**	**(714.22)**	**(9,177.07)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2026

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

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flow from financing activities			
Proceeds from issue of equity shares		-	7,000.20
Transaction cost on QIP issue		-	(116.21)
Proceeds from long term borrowings		1,542.43	1,677.81
Repayment of long term borrowings		(116.98)	(97.74)
Proceeds from/(repayment) of short term borrowings (net)		705.12	484.15
Principal paid on lease liabilities		(20.99)	(12.64)
Interest paid on lease liabilities		(16.50)	(15.13)
Finance costs paid		(351.61)	(153.57)
Net cash flow from financing activities	**C**	**1,741.47**	**8,766.87**
Net (decrease)/ increase in cash and cash equivalents	**A+B+C**	**(162.41)**	**126.47**
Cash and cash equivalents at the beginning of the year		408.33	281.86
Cash and cash equivalents at the end of the year (Refer Note 9(a))		**245.92**	**408.33**
See accompanying notes forming part of the consolidated financial statements.	1-46		

As per our report even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Place: Hyderabad
Date : May 15 , 2026

Gunda Praneeth Abhishek
Company Secretary
M No: A35583
Place: Hyderabad
Date : May 15 , 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

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

A. Equity share capital

Particulars	Note	No. of Shares	Amount
As at April 01, 2024		**5,91,12,993**	**118.23**
Changes in equity share capital during the year	11	54,68,750	10.93
As at March 31, 2025		**6,45,81,743**	**129.16**
Changes in equity share capital during the year	11	-	-
As at March 31, 2026		**6,45,81,743**	**129.16**

B. Other equity

Particulars	Note	Reserves and surplus			Other comprehensive income	Derivative Financial Instrument	Equity attributable to equity holders of the Company	Non-controlling interest	Total Other equity
		Securities premium	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit obligations (net of taxes)				
Balance as at April 01, 2024	**12**	**4,562.97**	**1,734.73**	**39.00**	**(4.30)**	**-**	**6,332.40**	**-**	**6,332.40**
Non-controlling interest- issue of shares		-	-	-	-	-	-	0.20	0.20
Profit for the year		-	873.18	-	-	-	873.18	(7.84)	865.34
Other comprehensive income (net of tax)		-	-	-	(0.94)	-	(0.94)	-	(0.94)
Issue of equity shares		6,989.06	-	-	-	-	6,989.06	-	6,989.06
Derivative financial instrument (refer note 42)		-	-	-	-	(225.63)	(225.63)	-	(225.63)
Share issue expenses		(159.33)	-	-	-	-	(159.33)	-	(159.33)
Balance at March 31, 2025	**12**	**11,392.70**	**2,607.91**	**39.00**	**(5.24)**	**(225.63)**	**13,808.74**	**(7.64)**	**13,801.10**
Profit for the year		-	1,328.77	-	-	-	1,328.77	6.86	1,335.63
Other comprehensive income (net of tax)		-	-	-	(0.11)	-	(0.11)	0.16	0.05
Share issue expenses		22.42	-	-	-	-	22.42	-	22.42
Balance at March 31, 2026	**12**	**11,415.12**	**3,936.68**	**39.00**	**(5.35)**	**(225.63)**	**15,159.82**	**(0.62)**	**15,159.20**

See accompanying notes forming part of the standalone financial statements. 1-46

As per our report even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place : Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Gunda Praneeth Abhishek
Company Secretary
M No: A35583

Place : Hyderabad
Date : May 15 , 2026

Place : Hyderabad
Date : May 15 , 2026

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

1 Corporate information

Azad Engineering 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 Parent 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 equity shares of the Company were listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE').

The Parent Company together with its subsidiaries, hereinafter, collectively referred to as the 'Group'.

2 Material accounting policies

2.1 Basis of preparation and measurement

(i) Statement of compliance & basis for preparation

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

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.

(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 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.

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

Assumptions and estimation uncertainties

The Group uses critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements, for the following areas:

- Note 3 - Determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 8 - Impairment of non financial assets and financial assets;
- Note 28 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 - Measurement of defined benefit obligations: key actuarial assumptions;

(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 Group. 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 Group 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 Group 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(vi) Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Based on nature of product and activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(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 up to 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.

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

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, 2026	March 31, 20225
Azad Prime Private Limited	Subsidiary	India	51%	51%
Azad VTC Private Limited	Subsidiary	India	51%	51%

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 Group 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.

Notes forming part of the consolidated financial statements

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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 Group 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 Group renders job work services that are provided separately. The Group recognizes revenue from sale of services at a point in time, when products are sent to the customer after completion.

For contracts involving the sale of products/services, the Company determines whether control of the underlying products has been transferred to the customer. In determining whether control has been transferred, the Company considers the following requirements prescribed under Ind AS 115:

i. The reason for the arrangement is substantive (i.e. the physical possession with the entity is pursuant to the customer's explicit request);

ii. The product is separately identified as belonging to the customer;

iii. The product is ready for physical transfer to the customer; and

iv. The entity does not have the ability to use the product or to direct it to another customer.

Company recognizes revenue in respect of such arrangements only when all of the aforementioned requirements are satisfied.

Further, at the time of such recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

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 Group 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

Notes forming part of the consolidated financial statements

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

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 Group 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.

Notes forming part of the consolidated financial statements

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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 Group 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 Group 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 Group 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 Group 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 Group 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

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

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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group. 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group 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.

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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 Group 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 Group 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 Group's procedures for recovery of amounts due.

D Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at cost. 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 Group 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 Group 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 Group, or the number of production or similar units expected to be obtained from the asset by the Group.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition.

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

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 Group 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)
Computers & data processing units	3	3
Electrical fittings	10	10
Furniture & fixtures	10	10
Servers & networks	6	6
Plant and machinery	15	7.5
Factory buildings	30	30
Office equipment	5	5
Vehicles	8	8

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:

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a) Raw materials:

Cost includes purchase price, (excluding those subsequently recoverable by the Group 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 Group'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 Group 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 Group'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 Group 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 Group 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 Group 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.

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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 Group 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 Group assesses whether

(i) the contract involves the use of identified asset;

(ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;

(iii) the Group has the right to direct the use of the asset.

Group as a lessee:

The Group 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 group's incremental borrowing rate. Generally, the Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group 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

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

or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if Group 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 Group 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 Group 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 group'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 Group 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 Group is able to

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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 Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the entity will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entity recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The entity reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

J Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group 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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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 Group 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 Group, transactions in currencies other than the group'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 Group 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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

O Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Group 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 Group 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.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

1. Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants:

   The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

   a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

   b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

   c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

   These amendments have no effect on the measurement of any items in the financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

2. Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

   Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of the Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates. Supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

   The Group does not have any supplier finance arrangements during the reporting period.

3. Amendment to Ind AS 12 – Pillar-Two Tax Reforms

   The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in the jurisdiction in which the Company operates.

4. Amendment to Ind AS 21 - Lack of exchangeability

   The amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the Company.

   The below amendments are notified but not yet effective amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

   The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

   a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

   b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

   c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

   The Group does not expect this amendment to have an impact on its operations or financial statements.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026

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

3(a) Property, plant and equipment

Particulars	Land	Factory buildings *	Plant and machinery	Electrical fittings	Furniture and fixtures	Computer and data processing Units	Servers and networks	Office equipment	Vehicles	Total
Gross carrying amount **Balance as at April 01, 2024**	**12.86**	**139.34**	**2,648.29**	**71.35**	**28.89**	**43.60**	**39.91**	**49.51**	**102.95**	**3,136.70**
Additions	259.02	318.02	1,189.13	39.01	12.18	8.29	13.72	33.60	20.08	1,893.05
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**271.88**	**457.36**	**3,837.42**	**110.36**	**41.07**	**51.89**	**53.63**	**83.11**	**123.03**	**5,029.75**
Additions	0.13	477.71	3,047.63	166.17	35.65	28.66	32.32	111.72	61.56	3,961.55
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	**272.01**	**935.07**	**6,885.05**	**276.53**	**76.72**	**80.55**	**85.95**	**194.83**	**184.59**	**8,991.30**
Accumulated depreciation										
Balance as at April 01, 2024	-	15.36	448.55	25.27	9.37	24.25	14.55	20.15	33.79	591.29
Depreciation	-	7.76	208.58	8.22	3.36	9.63	10.14	11.27	13.04	272.00
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**-**	**23.12**	**657.13**	**33.49**	**12.73**	**33.88**	**24.69**	**31.42**	**46.83**	**863.29**
Depreciation	-	31.00	374.29	19.37	7.00	12.37	8.97	26.31	16.39	495.70
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	**-**	**54.12**	**1,031.42**	**52.86**	**19.73**	**46.25**	**33.66**	**57.73**	**63.22**	**1,358.99**
Net carrying amount										
As at March 31, 2025	**271.88**	**434.24**	**3,180.29**	**76.87**	**28.34**	**18.01**	**28.94**	**51.69**	**76.20**	**4,166.46**
As at March 31, 2026	**272.01**	**880.95**	**5,853.63**	**223.67**	**56.99**	**34.30**	**52.29**	**137.10**	**121.37**	**7,632.31**

*The factory building includes building constructed on the leasehold premises

Note:

1. Refer note 13 & 14 for information on property, plant and equipment pledged as security by the Company.
2. Borrowing costs capitalised during the year amounted to ₹36.33(March 31, 2025: ₹8.30).

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

3. Details of title deeds not held in the name of the Company:

Relevant Line Item in the Balance Sheet	Description of Property	Gross carrying value [₹ in Mn]	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Property Plant and Equipment	Land - Tunkibollaram	259.02	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From September 2021	The land was allotted to the company by TSIIC vide agreement date September 23, 2021. The allotted land shall be utilised for setting up of "Integrated Supply of Energy & Aerospace engines" as per Detailed project report. The agreement shall be valid for a period of 3 years from the date of agreement. The entity has completed the substantial portion of work as per the detailed project report but Where the transfer of title/ Execution of Sale deed is subject to following conditions: i. Payment of Sale in full along with all other dues/fees/ levies/Property tax etc. ii. Implementation of the project in full as envisaged by the allottee as per the detailed project report furnished by them at the time of application and on commencement of commercial production iii. Utilisation of land to a minimum of 50% of the area in the land allotted for production facility. Company's management is confident on completion of balance project within envisaged timelines.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

(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)
As at April 01, 2024	**29.00**
Additions	189.36
Disposals	-
As at March 31, 2025	**218.36**
Additions	-
Disposals	-
As at March 31, 2026	**218.36**
Accumulated depreciation	
As at April 01, 2024	**1.67**
Depreciation	22.84
Disposals	**-**
As at March 31, 2025	**24.51**
Depreciation	32.72
Disposals	**-**
As at March 31, 2026	**57.23**
Net carrying amount as at March 31, 2025	**193.85**
Net carrying amount as at March 31, 2026	**161.13**

b. Lease liabilities

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	197.83	22.76
Additions during the year	-	187.71
Finance cost	16.50	15.13
Payments	(37.49)	(27.77)
Closing Balance	**176.84**	**197.83**

Break up of the closing lease liabilities	As at March 31, 2026	As at March 31, 2025
Current	26.38	22.67
Non-current	150.46	175.16

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

(ii) Payments recognised as expenses during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short term leases for the year (refer note-27)	16.36	13.95

(iii) Amount recognized in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	16.50	15.13
Depreciation on Right of use assets	32.72	22.84

(iv) Amount recognized in cash flow statement

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Principal paid on lease liabilities	20.99	12.64
Interest paid on lease liabilities	16.50	15.13

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

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	39.66	37.54
One to five years	148.84	141.42
More than five years	47.65	93.70

4 Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work in progress	2,566.82	797.80

Movement of CWIP:	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	797.80	454.34
Addition during the year	3,347.49	1,091.59
Capitalized during the year	(1,578.47)	(748.13)
Closing balance	**2,566.82**	**797.80**

Ageing as on March 31, 2026

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
Project in progress	2,223.71	251.46	2.52	89.13	2,566.82
Project temporarily suspended	-	-	-	-	-
Total	**2,223.71**	**251.46**	**2.52**	**89.13**	**2,566.82**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Ageing as on March 31, 2025

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
Project in progress	682.47	19.63	95.70	-	797.80
Project temporarily suspended	-	-	-	-	-
Total	**682.47**	**19.63**	**95.70**	**-**	**797.80**

Notes:

1. There are no projects as capital work in progress as at March 31, 2026 and March 31, 2025 whose completion is overdue or cost of which exceeds in comparison to its original plan
2. Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.
3. Details of title deeds not held in the name of the Company:

Relevant Line Item in the Balance Sheet	Description of Property	Gross carrying value [₹ in Mn]	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Capital work in progress	Mangampet Land	75.17	Telangana State Industrial Infrastructure Corporation [TSIIC]	NA	From April 2022	The land was allotted to the company by TSIIC vide agreement for sale dated April 06, 2022. The allotted land shall be utilised for setting up of "Integrated Supply of Energy & Aerospace engines" as per Detailed project report. A Writ Petition (No. 18735 of 2024) was filed in July 2024 by local residents before the Hon'ble Telangana High Court against the Company and certain government departments. The Company filed its response on September 9, 2024, denying the allegations and sought impleadment of TSIIC as a necessary party, which was allowed by the Hon'ble High Court on September 19, 2025. The matter is currently pending before Hon'ble High Court. Management is confident on favourable outcome of this matter."

4. Borrowing costs capitalised during the year amounted to ₹35.51 (March 31, 2025: 6.34).

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

5 Other financial assets (at amortised cost)

Non-current	As at March 31, 2026	As at March 31, 2025
(Unsecured considered good)		
Deposits		
Security deposits	11.58	52.12
Deposit accounts with maturity for more than 12 months (refer note below)	341.20	174.59
Interest accrued on fixed deposits with maturity for more than 12 months	33.10	18.87
Advance towards purchase of investments (Refer Note 42 and 43)	20.78	19.11
	406.66	**264.69**
Current		
Security deposits	36.17	-
Interest accrued on fixed deposits	26.44	30.14
Others	-	1.56
	62.61	**31.70**

Note: Out of the deposits, amount of ₹326.43 (March 31, 2025: ₹167.93) held as lien by banks towards the various fund facilities sanctioned.

6 Other non-current assets

	As at March 31, 2026	As at March 31, 2025
Non-current		
(Unsecured, Considered good)		
Capital advances (refer note below)	1,237.18	1,108.04
Prepaid expenses	46.76	55.43
Balance with statutory authorities - deposits	56.57	50.65
	1,340.51	**1,214.12**

Borrowing costs capitalised during the year amounted to ₹20.20 (March 31, 2025: ₹30.96).

7 Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw material	1,188.05	626.91
Work in progress	1,531.74	967.53
Finished goods	107.23	42.75
Scrap inventory	199.13	104.32
Consumable stores, spares & fixtures	264.98	151.50
	3,291.13	**1,893.01**

Note: Refer Note 13 and 14 for details of inventory subject to charge on secured borrowings.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

8 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Unsecured,		
- Considered good (refer note below)	3,116.61	2,234.80
- Credit impaired	89.93	72.15
	3,206.54	**2,306.95**
Allowance for credit impaired		
Less: Allowance for credit impaired	(89.93)	(72.15)
	3,116.61	**2,234.80**

Notes:

i No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

ii Trade receivables are non-interest bearing and generally on terms of 30 to 180 days

iii Trade receivables include debts from related parties (refer note 29)

iv The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 34

Movement in the allowance for credit impaired is as follows:

	As at March 31, 2026	As at March 31, 2025
Opening balance	72.15	36.39
Credit loss added	17.78	35.76
Closing balance	**89.93**	**72.15**

Ageing schedule of trade receivables outstanding as at March 31, 2026 is as follows:

Particulars	Outstanding for following period from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables considered good	2,219.30	704.94	122.53	130.20	12.93	16.64	3,206.54
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed trade receivables credit impaired	-	-	-	-	-	-	-
Total	**2,219.30**	**704.94**	**122.53**	**130.20**	**12.93**	**16.64**	**3,206.54**
Less: Impairment loss on credit impaired trade receivables							89.93
Total	**2,219.30**	**704.94**	**122.53**	**130.20**	**12.93**	**16.64**	**3,116.61**

There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Ageing schedule of trade receivables outstanding as at March 31, 2025 is as follows:

Particulars		Outstanding for following period from due date of payment					
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables considered good	1,144.39	982.17	115.45	35.57	18.14	11.23	2,306.95
Undisputed trade receivables credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-	-
Total	**1,144.39**	**982.17**	**115.45**	**35.57**	**18.14**	**11.23**	**2,306.95**
Less: Impairment loss on credit impaired trade receivables							72.15
Total	**1,144.39**	**982.17**	**115.45**	**35.57**	**18.14**	**11.23**	**2,234.80**

There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

9 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
(a) Cash and cash equivalents		
Balances with banks		
In current accounts	120.60	161.02
In EEFC Accounts	111.96	234.14
Cash on hand	13.36	13.17
	245.92	**408.33**
(b) Bank balances other than Cash and cash equivalents:		
Deposit with original maturity for more than 3 months but less than 12 months [refer note (i) below]	-	61.94
Earmarked balances with banks [refer note (ii) below]	1,599.99	6,500.00
	1,599.99	**6,561.94**
	1,845.91	**6,970.27**

Notes:

(i) Out of the deposits, amount of ₹Nil (March 31, 2025: ₹2.98) held as lien by banks towards the various fund facilities sanctioned.

(ii) Earmarked balances with banks primarily includes deposits placed with banks out of QIP proceeds (refer note 40).

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

10 Other current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	424.11	244.37
Advances to employees	12.20	8.93
Balance with government authorities	1,102.51	554.83
Other deposits and advances	5.33	5.38
Prepaid expenses	32.58	12.07
IPO Receivables	-	14.70
	1,576.73	**840.28**

11 Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorized share capital		
7,50,00,000 (March 31, 2025: 7,50,00,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and paid up		
6,45,81,743 (March 31, 2025: 6,45,81,743) equity shares of ₹2 each	129.16	129.16
	129.16	**129.16**

Notes:

(i) Reconciliation of authorised share capital at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	7,50,00,000	150.00	7,50,00,000	150.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	**7,50,00,000**	**150.00**	**7,50,00,000**	**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, 2026		For the year ended March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	6,45,81,743	129.16	5,91,12,993	118.23
Add:				
Shares issued during the year (refer note 42)	-	-	54,68,750	10.93
Outstanding at the end of the year	**6,45,81,743**	**129.16**	**6,45,81,743**	**129.16**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

(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, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Rakesh Chopdar	3,54,44,988	54.88%	3,83,30,255	59.35%

As per the records of the Company, including its Register of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both the legal and beneficial

ownership of the shares

(v) Shareholding of promoters

Name of promoter	As at March 31, 2026		As at March 31, 2025		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,54,44,988	54.88%	3,83,30,255	59.35%	-7.53%

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rakesh Chopdar	3,83,30,255	59.35%	3,83,30,255	64.84%	-

(vi) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2026 other than 4,12,95,650 bonus equity shares of Rs. 2/- each issued and allotted to its shareholders by capitalising General reserves amounting to ₹825.90 in the financial year 2023-24.

12 Other equity

	As at March 31, 2026	As at March 31, 2025
Securities premium [refer note (i)]	11,415.12	11,392.70
Retained earnings [refer note (ii)]	3,936.68	2,607.91
Capital redemption reserve [refer note (iii)]	39.00	39.00
Remeasurement of defined benefit obligations (net of tax) [refer note (iv)]	(5.35)	(5.24)
Derivative instrument [refer note (v)]	(225.63)	(225.63)
Total other equity	**15,159.82**	**13,808.74**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Notes:

(i) Securities premium	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	11,392.70	4,562.97
Add: Issue of equity shares during the year (refer note 40)	-	6,989.06
Less: Share issue expenses **	22.42	(159.33)
Closing balance	**11,415.12**	**11,392.70**

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 March 31, 2026	For the year ended March 31, 2025
Opening balance	2,607.91	1,734.73
Add: Profit for the year	1,328.77	873.18
Closing balance	**3,936.68**	**2,607.91**

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

(iii) Capital redemption reserve	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	39.00	39.00
Add: Changes during the year	-	-
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) Remeasurement of defined benefit obligations (net of tax)	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(5.24)	(4.30)
Add: Actuarial loss recognised during the year	(0.12)	(1.32)
Income-tax thereon	0.01	0.38
Closing balance	**(5.35)**	**(5.24)**

Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings

v) Derivative Instrument (refer note 42)	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(225.63)	-
Add: Recognition of derivative instruments	-	(225.63)
Closing balance	**(225.63)**	**(225.63)**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

13 Long term borrowings (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Secured		
Term loans		
- from bank [refer note (i), (ii), (iii), (v) and (vii)]	2,738.27	1,672.30
- from financial institution [refer note (iv) and (vi)]	562.69	236.53
Vehicle loans [refer note (viii)]	72.16	38.84
Less : Current maturities of long term borrowings	(563.65)	(239.02)
Total	**2,809.47**	**1,708.65**

Notes:

i) Terms of long term loan from consortium banks (Union Bank of India(UBI), IndusInd Bank Limited(IndusInd), ICICI Bank Limited(ICICI))

The Company has taken the term loan under consortium arrangement which is lead by UBI- ₹400.33 (March 31, 2025: 411.80), IndusInd ₹477.25 (March 31, 2025: 420.04) and ICICI Bank ₹417.81 (March 31, 2025: ₹394.56) as other members, with interest rate ranging from 6.5%-10.9% which are repayable in 22 quarterly installements for Indusind, 66 Monthly equal installments for ICICI & UBI

The primary security for the loans consists of:

a. First pari-passu charge by way of hypothecation on the Company's entire property, plant and equipment (present and future).

b. Second pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

The collateral security for the loan includes:

a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

(ii) Terms of Long-Term Loan (Equipment Finance) from HDFC Bank

The Company has taken equipment finance loan with interest rate ranging from 8.05% to 9.05% repayable in 72 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹383.51 (March 31, 2025: ₹187.04)

(iii) Terms of Long-Term Loan (Equipment Finance) from Yes Bank

The Company has taken Equipment Finance loan with interest rate ranging from 8.15%-9.30% repayable in 60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹489.16 (March 31, 2025: ₹227.67)

(iv) Terms of Long-Term Loan (Equipment Finance) from TATA Capital

The Company has taken Equipment Finance loan with interest rate ranging from 9.32%-14.05% repayable in 48-60 monthly equal/unequal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance of ₹163.53 (March 31, 2025: ₹236.53)

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

(v) Terms of Long-Term Loan (Equipment Finance) from Bandhan Bank

The Company has taken equipment finance loan with interest rate 8.25% repayable in 52 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹537.18 (March 31, 2025: ₹Nil)

(vi) Terms of Long-Term Loan (Equipment Finance) from Bajaj Finance

The Company has taken equipment finance loan with interest rate 8.45% to 8.70% repayable in 60 monthly equal installments which is secured by way of Hypothecation of machinery purchased / to be purchased out of fund. Outstanding balance as of ₹399.16 (March 31, 2025: ₹Nil)

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

The Azad VTC Private Limited has taken Equipment Finance loan with interst rate 9.85% repayable in 20 Quarterly equal installments which is secured by Current assets, Fixed deposits and Property, Plant and Equipment. Outstanding balance of ₹33.03.

The loan is secured by Personal guarantee of Mr.Ravi Kumar Viswanadha and corporate guarantee of Holding Company.

(viii) Vehicle loans

The Company has taken vehicle loans from Yes bank ₹0.37 (March 31, 2025: ₹4.32), IDFC First bank ₹Nil (March 31, 2025: ₹1.24), HDFC Bank ₹36.54 (March 31, 2025: ₹20.98), Bank of Baroda ₹5.94 (March 31, 2025: ₹12.30) and ICICI ₹29.31 (March 31, 2025: ₹NIL) with interest ranging from 8.06% to 11.04% which are repayable in 24-60 monthly equal installments. The said loans are secured by way of hypothecation on vehicles purchased.

(ix) The above long term borrowings are net of unamortized processing charges

14 Short-term borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Working capital loans (refer below note)	1,193.27	488.15
Current maturities of long term borrowings (refer note 13)	563.65	239.02
	1,756.92	**727.17**

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

1. The Company has taken working capital demand loan under consortium arrangement which is lead by UBI ₹ 491.82 (March 31, 2025: 148.15) and has IndusInd ₹ 385.66 (March 31, 2025: 171.49) and ICICI Bank ₹ 298.23 (March 31, 2025: ₹147.25) as other members, with interest rate ranging from 6.3%-9.75% and repayable on demand.

   The primary security for the loans consists of:

   a. First pari-passu charge by way of hypothecation on the company's entire fixed assets (present and future).

   b. First pari-passu charge by way of hypothecation on the company's entire current assets (present and future).

   The collateral security for the loan includes:

   a. First pari passu charge on Phase III Industrial Park APIIC plot 17/B Pashamylaram, Patancheru, Medak Hyderabad 502307 Sangareddy Telangana India.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

b. First pari passu charge on Plot no. 85 to 92,118,119 SYNO 340 Mulugumandal jyotishmathi college TunikiBollarum Medak 502279 Siddipet Telangana India.

2. Azad VTC Private Limited has taken working capital loan from ICICI bank with interest rate of 9.75% and repayable on demand which is secured by current assets, Fixed deposits and movable fixed assets. Outstanding balance of ₹17.56 (March 31, 2025: ₹21.26)

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

15 Trade payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	181.12	299.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	671.62	501.27
	852.74	**801.08**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days term.

(ii) Refer note 34 for the Company's liquidity and currency risk management process

(iii) Refer note 29 for trade payables to related parties

Trade payables ageing schedule as at March 31, 2026

	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	90.16	83.54	7.35	0.07	-	181.12
(ii) Others	225.01	439.42	6.67	0.04	0.48	671.62
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	315.17	**522.96**	**14.02**	**0.11**	**0.48**	**852.74**

Trade payables ageing schedule as at March 31, 2025

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	149.39	150.32	0.10	-	-	299.81
(ii) Others	190.06	302.65	8.07	0.44	0.05	501.27
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	339.45	**452.97**	**8.17**	**0.44**	**0.05**	**801.08**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

16 Provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
i. Provision for gratuity (refer note 33)		
Non-current	61.90	45.89
Current	7.34	4.80
ii. Provision for compensated absences		
Current	0.81	1.45
	70.05	**52.14**
Non-current	61.90	45.89
Current	8.15	6.25

17 Deferred tax liabilities (net)*

	As at March 31, 2026	As at March 31, 2025
Property, plant and equipment	541.25	325.81
Borrowings	3.45	4.23
Receivables credit impaired	(26.19)	(21.01)
Right-of-use assets (net of lease liability)	(3.52)	(0.81)
Provision for employee benefits	(19.56)	(14.70)
Other timing difference	(3.41)	(19.14)
	492.02	**274.38**

*refer note 36

18 Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Non-current		
Redemption liability (refer note 42)	171.50	171.50
	171.50	**171.50**
Current		
Employee benefits payable	134.97	110.47
Interest accrued but not due on borrowings	15.19	3.51
Capital creditors	120.48	57.17
Other payables	46.62	145.73
IPO expense payable	-	44.78
QIB expense payable	3.00	136.03
Interest on suppliers registered under MSME Act, 2006	0.66	0.66
	320.92	**498.35**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

19 Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	40.14	21.44
Advance from customers	9.46	44.76
Others payables	1.74	0.78
	51.34	**66.98**

20 Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Current tax payable	329.62	351.71
Current tax assets		
Advance tax including self assessment tax	(296.00)	(168.74)
TDS and TCS receivable	(23.36)	(4.33)
	10.26	**178.64**

21 Revenue from operations

	For the year ended March 31,2026	For the year ended March 31,2025
Revenue from contracts with customers (refer note 37)		
Sale of products	4,751.51	3,742.77
Sale of services	1,193.62	695.17
Other operating revenue		
- Scrap sales	55.54	99.64
- Export incentives	29.08	35.96
	6,029.75	**4,573.54**

22 Other income

	For the year ended March 31,2026	For the year ended March 31,2025
Net gain on foreign currency transactions and translations	214.01	45.59
Interest income		
- on fixed deposits	225.77	52.30
- Financial assets at amortised cost	2.72	3.22
Liabilities no longer required written back	14.00	-
Miscellaneous income	0.04	4.80
	456.54	**105.91**

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026

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

23(a) Cost of materials Consumed

	For the year ended March 31,2026	For the year ended March 31,2025
Opening stock of raw material	626.91	529.24
Add: Purchases	1,865.87	1,147.53
Less: Closing stock of raw material	(1,188.05)	(626.91)
	1,304.73	**1,049.86**

(b) Changes in inventories of finished goods, work-in-progress and scrap inventory

	For the year ended March 31,2026	For the year ended March 31,2025
Inventory at the beginning of the year		
Work in progress	967.53	600.70
Finished goods	42.75	19.83
Scrap inventory	104.32	80.99
	1,114.60	**701.52**
Inventory at the end of the year		
Work in progress	(1,531.74)	(967.53)
Finished goods	(107.23)	(42.75)
Scrap inventory	(199.13)	(104.32)
	(1,838.10)	**(1,114.60)**
	(723.50)	**(413.08)**

24 Employee benefits expense

	For the year ended March 31,2026	For the year ended March 31,2025
Salaries, wages and bonus	1,237.88	850.19
Contribution to provident and other funds	31.98	22.38
Gratuity expenses (refer note 33)	18.32	11.47
Staff welfare expenses	67.05	44.62
	1,355.23	**928.66**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

25 Finance costs

	For the year ended March 31,2026	For the year ended March 31,2025
Interest on		
- Term loans	132.75	48.64
- Working capital loans	64.16	30.45
- Lease liabilities	16.50	15.13
- Others	6.68	15.05
Exchange differences regarded as an adjustment to borrowing costs	13.23	1.99
Bank charges	8.56	6.37
Other borrowing costs	66.31	66.26
	308.19	**183.89**

* Borrowing costs capitalised during the year amounted to ₹92.04 (March 31, 2025: ₹45.60).

26 Depreciation expense

	For the year ended March 31,2026	For the year ended March 31,2025
Depreciation of property, plant and equipment (refer note 3(a))	495.70	272.00
Depreciation of right-of-use assets (refer note 3(b))	32.72	22.84
	528.42	**294.84**

27 Other expenses

	For the year ended March 31,2026	For the year ended March 31,2025
Stores and spares consumed	263.65	177.64
Job work charges	315.41	363.62
Tools	270.42	187.85
Repairs and maintenance :		
- Machinery	48.14	26.23
- Others	21.65	14.69
Transportation charges	144.44	98.38
Power and fuel	263.16	165.44
Inspection and testing	42.14	24.89
Sales commission	8.67	8.67
Advertisement expenses	1.19	2.20
Business promotion	14.39	8.54
Communication, broadband and internet expenses	4.30	3.46
Insurance	13.82	11.14
Travelling and conveyance expenses	39.85	34.99
Rent [refer note 3(b)]	16.36	13.95

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026

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

	For the year ended March 31,2026	For the year ended March 31,2025
Rates and taxes	34.81	29.93
Loss on foreign exchange transactions and translations other than those considered as finance cost (net)	0.52	0.02
Professional & consultancy fees	49.16	26.32
Printing , stationary, postage and courier	12.20	13.50
Auditors remuneration	5.70	5.82
Corporate social responsibility (CSR) expenses	14.01	8.19
Security charges	23.33	22.36
Outsourced manpower cost *	166.55	85.96
Provision for credit impaired trade receivable	17.87	35.76
Allowance for advances written off	6.06	
Miscellaneous expenses	42.36	25.47
	1,840.16	**1,395.02**

*Includes gratuity expense of ₹2.60

28 Contingent liabilities and commitments

(a) Contingent liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Direct tax	19.67	19.67
Goods and service tax	2.13	13.20
Customs duty	220.94	75.11
Guarantees issued by Company on behalf of Subsidiary	50.59	52.45

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.

Goods and Services Tax Act, 2017

The Company had received demand orders from the Adjudicating Authority, namely the Assistant Commissioner of Central Tax, pursuant to GST audit proceedings for FY 2019-20 and FY 2020-21, against which appeals were filed before the Commissioner (Appeals).

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

For FY 2019-20, the Commissioner (Appeals) has dropped the tax demand raised by the department; however, interest and penalty aggregating to ₹0.09 is outstanding.

For FY 2020-21, tax demand of ₹0.98 along with applicable interest and penalty aggregating to ₹1.04 have been confirmed by the Commissioner (Appeals). Based on the evaluation, the Company believes that it has a reasonably strong case on merits and is in the process of filing further appeals before the GST Appellate Tribunal against the amounts confirmed in the appellate orders

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 and EODS pending. 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 has received intimation from Customs towards payment of duty amounting to ₹218.57.

The Company has filed an appeal against an order passed by the Additional Commissioner of Customs confirming recovery of duty drawback amounting to ₹2.37 along with applicable interest, on the grounds that export proceeds relating to exports made during FY 2014-15 were realized beyond the timelines prescribed under FEMA. The drawback pertained to exports undertaken under the erstwhile Drawback Rules, 1995.

(b) Capital commitments

Particulars	As at March 31, 2026	As at March 31, 2025
i. Unexecuted capital orders to the extent not provided for	1,182.77	523.34
ii. The Company has entered in to Purchase of Investment Commitment - Refer note- 42 & 43		

31 Related party disclosures

(a) Names of related parties and related party relationship

Nature of relationship	Name of the related party
Key managerial persons:	Rakesh Chopdar- Chairman and Chief Executing Officer
	Jyoti Chopdar- Whole Time Director
	Vishnu Pramodkumar Malpani - Whole Time Director
	Madhusree Vemuru-Non Executive & Independent Director
	Michael Joseph Booth-Non Executive & Independent Director
	Subba Rao Ambati-Non Executive & Independent Director
	Deepak Kabra-Non Executive & Independent Director (w.e.f January 3, 2025)
	Murali Krishna Bhupatiraju Managing Director (w.e.f January 3, 2025)
	Ronak Jajoo - Chief Financial Officer
	Praneeth Abhishek Gunda- Company Secretary (w.e.f November 29, 2025)
	Ful Kumar Gautam- Company Secretary (till November 28, 2025)
Relatives of KMPs	Kartik Chopdar
	Satwik Chopdar

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Nature of relationship	Name of the related party
Entities over which KMPs/ directors and/ or their relatives are able exercise significant influence	Forgen Power Parts Private Limited
	Atlas Fasteners
	Swastik Coaters Pvt Ltd
	Rouland Chemicals Pvt Ltd
	Agrima Logipark

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
KMPs Remuneration: #		
Rakesh Chopdar	48.00	48.00
Jyoti Chopdar	12.00	12.00
Vishnu Pramodkumar Malpani	**7.20**	**7.42**
Murali Krishna Bhupatiraju	16.71	9.99
Ful Kumar Gautam	2.56	2.13
Ronak Jajoo	**5.55**	**5.28**
Praneeth Abhishek Gunda	1.03	-
KMPs Relatives Remuneration: #		
Kartik Chopdar	5.75	4.87
Satwik Chopdar	**0.92**	**0.48**
KMPs Sitting fees and Reimbursemet of expense:		
Sitting fee	5.56	2.09
Reimbursement of expenses	2.10	-

The above figures does not include provisions for gratuity, group mediclaim, group personal accident and compensated absences as the same is determined at the company level and is not possible to determine for selected individuals.

(c) Balances with KMP's/directors and their relatives

Particulars	As at March 31, 2026	As at March 31, 2025
Other current financial liabilities (salaries payable)		
Rakesh Chopdar	-	1.50
Jyoti Chopdar	-	1.00
Kartik Chopdar	0.33	0.29
Ronak Jajoo	0.19	0.44
Vishnu Pramodkumar Malpani	0.27	0.60
Satwik Chopdar	0.12	0.10
Murali Krishna Bhupatiraju	0.44	1.09
Praneeth Abhishek Gunda	0.28	-
Trade Payables		
Sittings fees paybales	1.50	1.36

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

(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, 2026	For the year ended March 31, 2025
Sale of goods or services		
Atlas Fasteners	17.19	2.24
Rental expense:		
Swastik Coaters Pvt Ltd	1.56	1.48
Rouland Chemicals Pvt Ltd	1.56	1.48
Agrima Logipark	13.06	12.20
Purchase of PPE		
Atlas Fasteners	5.31	-
Reimbursements		
Swastik Coaters Pvt Ltd	0.71	-
Interest Income		
Swastik Coaters Pvt Ltd	0.20	0.20
Rouland Chemicals Pvt Ltd	0.20	0.20
Job work expense		
Atlas Fasteners	0.59	1.11

(e) Balances with entities over which KMP's/directors and/or their relatives are able to exercise significant influence

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Atlas fasteners	23.98	3.90
Advance to suppliers (Included in other current assets)		
Atlas fasteners	10.80	12.40
Security deposits (included in other non current financial assets)		
Swastik Coaters Pvt Ltd	4.96	4.96
Rouland Chemicals Pvt Ltd	4.96	4.96
Forgen Power Parts Private Limited (Security deposits)	2.00	2.00
Trade payables		
Rouland Chemicals Pvt Ltd	1.29	0.89
Agrima Logipark	6.86	-
Advances for purchase of goods & services		
Swastik Coaters Pvt Ltd	0.33	0.83

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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, 2026	For the year ended March 31, 2025
Earnings		
Profit after tax for the year attributable to equity shareholders	1,328.77	873.18
Profit for the year considered for calculation of diluted earnings per share	1,328.77	873.18
Shares		
Original number of equity shares	6,45,81,743	5,91,12,993
Add : Equity shares issued during the year	-	54,68,750
No of shares at the end of the year	**6,45,81,743**	**6,45,81,743**
Weighted average number of equity shares		
For calculating Basic EPS	6,45,81,743	5,95,47,496
Effect of dilution:		
Weighted average number of equity shares for Diluted EPS	6,45,81,743	5,95,47,496
Earnings Per Share		
Face Value ₹ 2 per share		
Basic (₹)	20.57	14.66
Diluted* (₹)	20.57	14.66

Note: No potential equity shares are outstanding as at March 31, 2026 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered dilutive EPS.

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 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.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026

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

a. Geographical segment information:

Revenue from customers	For the year ended March 31, 2026	For the year ended March 31, 2025
With in India	534.05	388.12
Outside India	5,495.70	4,185.42
Total	**6,029.75**	**4,573.54**

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 2 customers (March 31, 2025: 1) 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:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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	181.12	299.81
ii) Interest due thereon remaining unpaid to supplier at the end of the year	0.66	0.66
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)	-	3.55
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)	0.66	0.66

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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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, 2026 aggregated to ₹27.56 (March 31, 2025 : ₹18.43). (refer note 24)

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, 2026 aggregated to ₹4.42 (March 31, 2025 : ₹3.95). (refer note 24)

ii) Defined benefit plan

Contribution towards Gratuity for the year March 31, 2026 aggregated to ₹20.94 (March 31, 2025: ₹11.47). The Company's gratuity plan is unfunded. (refer note 24)

d) Amounts recognised in the consolidated financial statements as at year end for Gratuity are as under:

	Particulars	As at March 31, 2026	As at March 31, 2025
i)	**Change in present value of obligation**		
	Present value of the obligation at the beginning of the year	50.69	39.46
	Current service cost	17.68	8.84
	Interest cost	3.26	2.63
	Actuarial (gain)/loss on obligation - due to change in financial assumptions	(4.38)	1.36
	Actuarial (Gain) / Loss on Obligation - Due to Change in Demographic Assumptions	-	
	Actuarial (gain)/loss on obligation - due to experience adjustments	4.34	(0.04)
	Benefits paid	(2.36)	(1.56)
	Present value of the obligation at the end of the year	**69.24**	**50.69**
ii)	**Bifurcation of present value of benefit obligation (refer note 16)**		
	Current - Amount due within one year	7.34	4.80
	Non-current - Amount due after one year	61.90	45.89
	Total	**69.24**	**50.69**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Particulars			As at March 31, 2026	As at March 31, 2025
iii)	**Expected benefit payments in future years**			
	Year 1		7.34	4.80
	Year 2		5.06	3.95
	Year 3		5.62	3.44
	Year 4		5.55	4.19
	Year 5		5.67	3.99
	Year 6 to Year 10		28.46	19.92
iv)	**Sensitivity analysis**			
	Discount rate	- 1 % increase	63.76	46.53
		- 1 % decrease	75.61	55.55
	Salary escalation rate	- 1 % increase	75.44	55.40
		- 1 % decrease	63.80	46.58
	Withdrawal rate	- 1 % increase	-	-
		- 1 % decrease	-	-
v)	**Amounts Recognised in the Balance sheet:**			
	Present value of Obligation at the end of the year		69.24	50.69
	Fair value of Plan Assets at the end of the year		-	-
	Net Liability recognised in the Balance Sheet		**69.24**	**50.69**
vi)	**Amounts Recognised in the Statement of Profit and Loss:**			
	Current service cost		17.68	8.83
	Net interest on net defined liability / (asset)		3.26	2.64
	Expenses recognised in Statement of Profit and Loss		**20.94**	**11.47**
vii)	**Recognised in other comprehensive income for the year**			
	Actuarial Gains / (Losses) on Liability		0.04	(1.32)
	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset) above		-	-
	Recognised in other comprehensive income		**0.04**	**(1.32)**
viii)	**Actuarial assumptions**			
	i) Discount rate		7.29% - 7.40%	6.66%
	ii) Salary escalation rate		3% - 12%	3.00%
	iii) Retirement age		58 years	58 years
	iv) Attrition rate		5.00%	5.00%
	v) Mortality rate		IALM(2012-14) Ult.	IALM(2012-14) Ult.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

34 Financial instruments

A. Financial instruments by category	Method of valuation	Note	As at March 31, 2026	As at March 31, 2025
Financial assets				
Non current				
(i) Other financial assets	Amortized Cost	5	406.66	264.69
Current				
(i) Trade receivables	Amortized Cost	8	3,116.61	2,234.80
(ii) Cash and cash equivalents	Amortized Cost	9 (a)	245.92	408.33
(iii) Bank balances other than (ii) above	Amortized Cost	9 (b)	1,599.99	6,561.94
(iv) Other financial assets	Amortized Cost	5	62.61	31.70
Total financial assets			**5,431.79**	**9,501.46**
Financial liabilities				
Non current				
(i) Borrowings	Amortised cost	13	2,809.47	1,708.65
(ia) Lease liabilities	Amortised cost	3(b)	150.46	175.16
(iii) Other financial liabilities	FVTPL	18	171.50	171.50
Current				
(i) Borrowings	Amortised cost	14	1,756.92	727.17
(ia) Lease liabilities	Amortised cost	3(b)	26.38	22.67
(ii) Trade payables	Amortised cost	15	852.74	801.08
(iii) Other financial liabilities	Amortised cost	18	320.92	498.35
Total financial liabilities			**6,088.39**	**4,104.58**

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:

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

- 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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

(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, 2026	For the year ended March 31, 2025
Revenue from top customer	1,123.97	648.81
Revenue from top 5 customers	1,711.10	1,703.84

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 credit impaired is as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	72.15	36.39
Credit loss added	17.78	35.76
Closing balance	89.93	72.15

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:

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

As at March 31, 2026

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding Current maturities of long term borrowings)	2,809.47	-	2,809.47	-	2,809.47
Lease liabilities	176.84	39.66	148.84	47.65	236.16
Short-term borrowings	1,756.92	1,756.92	-	-	1,756.92
Trade payables	852.74	852.74	-	-	852.74
Other financial liabilities	320.92	320.92	-	-	320.92
Total	**5,916.89**	**2,970.24**	**2,958.31**	**47.65**	**5,976.21**

As at March 31, 2025

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding Current maturities of long term borrowings)	1,708.65	-	1,658.46	50.20	1,708.65
Lease liabilities	197.83	37.54	141.42	93.70	272.66
Short-term borrowings	727.17	727.17	-	-	727.17
Trade payables	801.08	801.08	-	-	801.08
Other financial liabilities	498.35	498.35	-	-	498.35
Total	**3,933.08**	**2,064.14**	**1,799.88**	**143.90**	**4,007.91**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	3,501.19	1,398.02
Fixed rate borrowings	1,065.20	1,037.80

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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, 2026	As at March 31, 2025
Sensitivity		
1% increase in variable rate	(35.01)	(13.98)
1% decrease in variable rate	35.01	13.98

(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 Other Currencies	Equivalent amount in INR
March 31, 2026						
Trade receivable	24.18	2,293.38	5.68	618.85	-	-
Trade payable	1.09	104.90	0.06	6.29	1.06	6.87
Borrowings	1.13	107.16	8.26	900.28	-	-
March 31, 2025						
Trade receivable	20.52	1,754.24	5.12	471.27	-	-
Trade payable	0.98	84.07	0.09	8.30	9.73	8.50
Borrowings	-	-	8.93	821.99	-	-
Advance from customers	0.09	6.11	0.11	9.44	-	-

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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2026					
	USD	104.07	(104.07)	73.76	(73.76)
	EURO	(14.39)	14.39	(10.20)	10.20
	JPY	(0.03)	0.03	(0.02)	0.02
	GBP	(0.32)	0.32	(0.22)	0.22
March 31, 2025					
	USD	83.81	(83.81)	59.41	(59.41)
	EURO	(17.48)	17.48	(12.39)	12.39
	JPY	(0.43)	0.43	(0.30)	0.30

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.

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at March 31, 2026	As at March 31, 2025
Total debt (refer note 13 and 14)	4,566.39	2,435.82
Less : cash and cash equivalents and bank balances (refer note 9)	1,845.91	6,970.27
Adjusted net debt	**2,720.48**	**(4,534.45)**
Total equity	**15,288.36**	**13,930.26**
Gearing ratio	**0.15**	**(0.48)**

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, 2026 and March 31, 2025.

Notes forming part of the consolidated financial statements
for the year ended March 31, 2026

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

36 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended March 31, 2026	For the year ended March 31, 2025
	Tax expense recognised in the Statement of Profit and Loss		
A.	**Current tax**		
	Current year	323.68	307.73
	Tax pertaining to earlier years	(3.96)	19.69
	Total (A)	**319.72**	**327.42**
B.	**Deferred tax**		
	Origination and reversal of temporary differences	217.71	47.50
	Total (B)	**217.71**	**47.50**
	Total (A+B)	**537.43**	**374.92**
C.	**Tax on other comprehensive income**		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	0.01	(0.38)
		0.01	**(0.38)**

Current tax (assets) / liabilities (net)

		As at March 31, 2026	As at March 31, 2025
D.	Advance tax Including TDS receivable and self assessment tax	(319.36)	(173.07)
E.	Provision for tax	329.62	351.71
		10.26	**178.64**

F. Reconciliation of tax expense and the accounting profit

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before income taxes	**1,873.06**	**1240.26**
Indian statutory income tax rate	29.12%	29.12%
Expected Income Tax Expense	**545.00**	**361.00**
Tax effect of expenditure disallowed under income tax	(2.94)	7.04
Tax effect of earlier years set	(4.58)	19.69
Others	(0.05)	(12.81)
Total income tax expense	**537.43**	**374.92**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Movement during the year ended March 31, 2026	As at April 01, 2025	MAT Credit Utilisation	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2026
Deferred tax assets/(liabilities)					
On property, plant and equipment	325.81	-	215.44	-	541.25
On provision for employee benefits	(14.70)	-	(4.79)	(0.06)	(19.56)
Provision for Credit impaired	(21.01)	-	(5.18)	-	(26.19)
Borrowings	4.23	-	(0.78)	-	3.45
Right of use assets (net of lease liability)	(0.81)	-	(2.71)	-	(3.52)
Other timing difference	(19.14)	-	15.73		(3.41)
Total	**274.38**	**-**	**217.71**	**(0.06)**	**492.02**

Movement during the year ended March 31, 2025	As at April 01, 2024	MAT Credit Utilisation	(Credit)/ charge in the Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2025
Deferred tax (assets)/liabilities					
On property, plant and equipment	247.56	-	78.25	-	325.81
On provision for employee benefits	(11.58)	-	(2.74)	(0.38)	(14.70)
Provision for Credit impaired	(10.60)	-	(10.41)	-	(21.01)
Borrowings	0.55	-	3.68	-	4.23
Right of use assets (net of lease liability)	1.33	-	(2.14)	-	(0.81)
MAT Credit Entitlement	(16.58)	16.58	-	-	-
Other timing difference	-	-	(19.14)	-	(19.14)
Total	**210.68**	**16.58**	**47.50**	**(0.38)**	**274.38**

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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

37 Revenue from operations

Revenue from contract with customers

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income from sale of products	4,751.51	3,742.77
Income from sale of services	1,193.62	695.17
Income from - scrap sales	55.54	99.64
Export incentives	29.08	35.96
	6,029.75	**4,573.54**
Disaggregated revenue information		
Geographic revenue		
Revenue from contract with customers		
With in India	534.05	388.12
Outside India	5,495.70	4,185.42
	6,029.75	**4,573.54**
Timing of revenue recognition		
Services transferred at a point of time	1,222.70	731.13
Goods transferred at a point of time	4,807.05	3,842.41
Total revenue from contracts with customers	**6,029.75**	**4,573.54**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	6,029.75	4,573.54
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**6,029.75**	**4,573.54**

Contract balances

	As at March 31, 2026	As at March 31, 2025
Receivables, which are included in Trade receivables	3,116.61	2,234.80
Revenue received in advance, which are included in 'Other liabilities'	9.46	44.76

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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

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

39 Subsequent events

Subsequent to March 31, 2026, the Nomination and Remuneration Committee (NRC) of the Board of Directors at its meeting held on May 12, 2026, approved a grant of 80,000 options to eligible employee(s) under the Employee Stock Option Scheme. Each option provides the right to apply for one equity share of face value of ₹2/- each at an exercise price of ₹1050/-

As these options were granted subsequent to the reporting date, they do not impact the employee compensation cost or the basic/diluted earnings per share reported for the financial year ended March 31, 2026.

40 Utilisation of funds raised through Qualified Instituions Placement (QIP)

During the quarter ended March 31, 2025, pursuant to Qualified Institutions Placement ('QIP') the Company issued and allotted 5,468,750 equity shares of face value of ₹2 each, to eligible Qualified Institutional Buyers ('QIBs') at the issue price of ₹1,280 (including a premium of ₹1,278 per equity share) aggregating to ₹7,000.00 Mn. The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The details of funds raised through Qualified Institutional Placement (QIP) by the Company and utilisation of said funds as of March 31, 2026 are as follows

Objects of the issue as per placement document	Amount to be utilised as per placement document	Utilisation up to March 31, 2026	Unutilised amount up to March 31, 2026*
Funding and part-funding the capital expenditure of our Company	5,250.00	3,686.65	1,563.35
General corporate purposes	1,562.10	1,562.10	-
Issue Expenses	187.90	153.98**	33.92
Total	**7,000.00**	**5,402.73**	**1,597.27**

* The net unutilised QIP proceeds were temporarily invested in deposits with commercial banks. Interest earned on such deposits are in the monitoring account / fixed deposits.

** Excludes ₹31.22 Mn paid from the Company's current account towards QIP expenses, including Goods and Services Tax, which are yet to be reimbursed from the Monitoring Agency account.

41 Statutory disclosures

(a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company 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 has not revalued its property, plant and equipment during the financial year 2024-25

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

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

(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 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 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).

(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 stock statements filed by the Company with the banks are in agreement with the books of accounts of the Company.

(n) The Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

In respect of the subsidiaries:

The Companies have used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility, except that the audit trail (edit log) feature was not enabled in the accounting software throughout the year. Accordingly, we are unable to assess whether the same has operated throughout the year for all relevant transaction recorded in the software or whether there is any instance of audit trail feature being tampered."

42 The Holding Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad Prime Private Limited ('Azad Prime'), incorporated in April 2024. As per terms of Shareholders Agreement ["SHA"] dated July 25, 2024 entered between the Holding Company & Leo Primecomp Private Limited ('Leo Prime'), during the quarter ended September 30, 2024, Azad Prime has issued additional equity shares to Leo Prime, consequently, the revised shareholding stands at 51% by Holding Company and 49% by Leo Prime. Further as per terms of SHA, the Holding Company has Call Option [right to buy] and Leo Prime has Put Option [right to Sell] – to the equity shares owned by Leo Prime upon occurrence of events agreed in SHA. Price payable to the Call Option / Put Option, by the Transferor for the purchase/sale of the securities pursuant to exercise of the qualified Call Option / Put Option on account of events mentioned in SHA - shall be the higher of: (i) Fair Market Value of the securities held by such Call / Put Option Transferor as on the date of such purchase/sale, or (ii) an amount of INR 225.63 Mn. During quarter ended December 31, 2024, the Holding Company has paid an advance of ₹54.13 Mn to purchase the balance 49% of Shares held by

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Leo Prime on occurrence of the events as mentioned in SHA. The said advance is non-refundable and such amount shall be deducted from any amount payable to the Leo Prime pursuant to exercise of Call/Put Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

43 The Holding Company was Initial subscriber with 100% shareholding in its Subsidiary - Azad VTC Private Limited. As per terms of Shareholders Agreement ["SHA"] dated May 9, 2024 entered between the Holding Company and other shareholder, during the quarter ended September 30, 2024, Azad VTC has issued additional equity shares to other shareholder, consequently, the revised shareholding stands at 51% by Holding Company and 49% by other shareholder. Further, as per terms of SHA, the Holding Company has an Call Option [right to buy] to purchase the shares held by other shareholder. The Holding Company paid an advance of ₹23.3 Mn to other shareholder to acquire the remaining 49% of shares in the future. This amount is refundable and can be deducted from amount payable to the other share holder on exercise of Call Option. The Company has evaluated above transaction and accounted as per applicable accounting standards.

44 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013.

Name of the Entity	Net Assets		Share in profit or (loss)		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Azad Engineering Limited	98.42%	15,047.55	102.10%	1,363.71	103.70%	(0.28)	102.08%	1,363.43
Subsidiaries								
Indian								
Azad Prime Private Limited	1.14%	173.84	1.04%	13.89	0.00%	(0.16)	1.05%	14.05
Azad VTC Private Limited	0.44%	66.97	-3.14%	(41.97)	0.00%	0.17	-3.13%	(41.80)
Total	**100.00%**	**15,288.36**	**100.00%**	**1,335.63**	**103.70%**	**(0.27)**	**100.00%**	**1,335.68**

Notes forming part of the consolidated financial statements

for the year ended March 31, 2026

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

Name of the Entity	Net Assets		Share in profit or (loss)		Share in OCI		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other OCI	Amount	As % of consolidated total OCI	Amount
Parent								
Azad Engineering Limited	98.71%	13,751.39	101.85%	881.34	100.00%	(0.94)	101.85%	880.40
Subsidiaries								
Indian								
Azad Prime Private Limited	1.10%	153.92	-0.84%	(7.27)	0.00%	-	-0.84%	(7.27)
Azad VTC Private Limited	0.18%	25.37	-1.01%	(8.73)	0.00%	-	-1.01%	(8.73)
Total	**100.00%**	**13,930.68**	**100.00%**	**865.34**	**100.00%**	**(0.94)**	**100.00%**	**864.40**

45 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has evaluated the potential impact of these changes based on the Labour Codes, draft rules, FAQs, and available legal opinions. Based on the assessment carried out, no material impact is envisaged at present. The Company continues to monitor the finalisation of Central / State Rules and further clarifications from the Government and will account for any consequential impact, if required, upon such developments.

46 The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 15, 2026.

As per our report even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No.:105047W/W101187

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date : May 15 , 2026

For and on behalf of the Board of Directors of
Azad Engineering Limited

Rakesh Chopdar
Chairman and CEO
DIN: 01795599

Vishnu Pramodkumar Malpani
Whole Time Director
DIN : 10307319

Ronak Jajoo
Chief Financial Officer

Place: Hyderabad
Date : May 15 , 2026

Gunda Praneeth Abhishek
Company Secretary
M No: A35583
Place: Hyderabad
Date : May 15 , 2026

AZAD

Notice

Notice is hereby given that the Forty Third (43rd) Annual General Meeting ("AGM") of the Members of Azad Engineering Limited ("Company" or "AEL") will be held on **Tuesday, September 29, 2026, at 2:30 PM (IST) through Video conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the reports of the Board of Directors and the Statutory Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Report of the Statutory Auditors thereon.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the reports of the Board of Directors and Statutory Auditors thereon, as circulated to the Members, be and are hereby considered, approved and adopted.

   RESOLVED FURTHER THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, and the report of Statutory Auditors thereon, as circulated to the Members, be and are hereby considered, approved and adopted."

2. **To appoint a director in place of Mr. Rakesh Chopdar (DIN: 01795599), who retires by rotation and being eligible offers himself for re-appointment.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Rakesh Chopdar (DIN: 01795599), who retires by rotation at this meeting, 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 approve the increase in Remuneration payable to Mr. Rakesh Chopdar, Whole-Time Director, Chairman and Chief Executive Officer of the Company:**

   To consider and, if thought fit, to pass the following as a **Special Resolution:**

   "**RESOLVED THAT** in partial modification to the resolution no. 2/2023-24 passed by Members of the Company at Extra-Ordinary General Meeting held on 15 September 2023 ('EGM') and pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the Nomination and Remuneration Policy of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC Committee") and approval of the Audit Committee and Board of Directors, approval of the Members be and is hereby accorded for the revision in the remuneration of Mr. Rakesh Chopdar (DIN: 01795599), as the Whole-time Director, Chairman and Chief Executive Officer of the Company, for a period from 1st April 2026 up to 12th September 2026, being the remainder of his existing term, as under:

   - Remuneration of **₹528 Lakhs per annum**, payable on a proportionate basis (which is inclusive of all allowances, benefits and perquisites and exclusive of reimbursement of expenses incurred on behalf of the Company), for the aforesaid period, together with being eligible for all benefits in accordance with the policies of the Company.

   RESOLVED FURTHER THAT except for the revision in remuneration as stated above, all other terms and conditions relating to the appointment and remuneration of Mr. Rakesh Chopdar, as approved by the Members at the Extra-Ordinary General Meeting held on 15th September 2023, shall remain unchanged and continue to be in full force and effect.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, execute all such documents, instruments and writings, and take all such steps as may be necessary, desirable or expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

4. **To re-appoint Mr. Rakesh Chopdar (DIN: 01795599) as Whole-Time Director, Chairman and Chief Executive Officer of the Company for a term of five (5) years:**

To consider and, if thought fit, to pass the following as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the "Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the Nomination and Remuneration Policy of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC Committee") and approval of the Board of Directors, Mr. Rakesh Chopdar (DIN: 01795599), in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for his re-appointment, be and is hereby re-appointed as the Whole-time Director and designated as Chairman and Chief Executive Officer of the Company with effect from September 13, 2026, to hold office till September 12, 2031.

RESOLVED FURTHER THAT Mr. Rakesh Chopdar in his capacity as Whole-time Director, Chairman and Chief Executive Officer, be paid a remuneration of INR 528 Lakhs per annum (which is inclusive of all allowances/ benefits/ perquisites and exclusive of (i) any form of reimbursement of expenses incurred on behalf of the Company and (ii) such payments as are exempted from computation of limits prescribed under Section 197 of the Act read with Schedule V thereto) and be eligible for all benefits as per the policies of the Company, with liberty to the Board (which term shall include the NRC Committee) that the remuneration payable to Mr. Rakesh Chopdar (DIN: 01795599) may be altered, modified and/or the amount may be varied within the aforesaid ceiling limit of INR 528 Lakhs per annum, and/or the structure and components of remuneration including the variable pay, payable or to be paid may be varied, as may be provided, during his tenure as Whole-Time Director, Chairman, and Chief Executive Officer of the Company, to the extent the NRC Committee and Board may consider appropriate, in terms of the Nomination and Remuneration Policy of the Company, and as maybe permitted/required towards adherence to statutory requirements and subject to compliance of applicable provisions of the Act and applicable regulations.

RESOLVED FURTHER THAT wherein any financial year during the tenure of Mr. Rakesh Chopdar, as Whole-Time Director, Chairman, and Chief Executive Officer, of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and allowances subject to further approvals as may be required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

5. **To re-appoint Mrs. Jyoti Chopdar (DIN: 03132757) as Whole-Time Director of the Company for a term of five (5) years**:

To consider and, if thought fit, to pass the following as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the "Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the Nomination and Remuneration Policy of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC Committee") and approval of the Board of Directors, Mrs. Jyoti Chopdar (DIN: 03132757), in respect of whom the Company has received a Notice in writing under Section 160 of the Act proposing her candidature for re-appointment, be and is hereby re-appointed as the Whole-time Director, liable to retire by rotation, with effect from September 13, 2026 to hold office till September 12, 2031.

RESOLVED FURTHER THAT Mrs. Jyoti Chopdar in her capacity as Whole-time Director be paid a remuneration of INR 120 Lakhs per annum (which is inclusive of all allowances/ benefits/ perquisites and exclusive of (i) any form of reimbursement of expenses incurred on behalf of the Company and (ii) such payments as are exempted from computation of limits prescribed under Section 197 of the Act read with Schedule V thereto) and be eligible for all benefits as per the policies of the Company, with liberty to the Board (which term shall include the NRC

Committee) that the remuneration payable to Mrs. Jyoti Chopdar (DIN: 03132757) may be altered, modified and/or the amount may be varied within the aforesaid ceiling limit of INR 120 Lakhs per annum, and/or the structure and components of remuneration including the variable pay, payable or to be paid may be varied, as may be provided, during her tenure as Whole-Time Director of the Company, to the extent the NRC Committee and Board may consider appropriate, in terms of the Nomination and Remuneration Policy of the Company, and as maybe permitted/required towards adherence to statutory requirements and subject to compliance of applicable provisions of the Act and applicable regulations.

RESOLVED FURTHER THAT wherein any financial year during the tenure of Mrs. Jyoti Chopdar, as Whole-Time Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and allowances subject to further approvals as may be required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution".

6. To re-appoint Mr. Vishnu Malpani (DIN: 10307319) as Whole-Time Director of the Company for a term of five (5) years:

To consider and, if thought fit, to pass the following as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the "Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the Nomination and Remuneration Policy of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC Committee") and approval of the Board of Directors, Mr. Vishnu Malpani (DIN: 10307319), in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for re-appointment, be and is hereby re-appointed as the Whole-time Director, liable to retire by rotation with effect from September 13, 2026, to hold office till September 12, 2031.

RESOLVED FURTHER THAT Mr. Vishnu Malpani in his capacity as Whole-time Director be paid a remuneration of INR 130 Lakhs per annum, which include fixed pay of INR 120 Lakhs per annum and variable pay of INR 10 Lakhs per annum (and which is inclusive of all allowances/ benefits/ perquisites and exclusive (i) any form of reimbursement of expenses incurred on behalf of the Company and (ii) such payments as are exempted from computation of limits prescribed under Section 197 of the Act read with Schedule V thereto) and be eligible for all benefits as per the policies of the Company and the variable pay aforesaid shall be payable on meeting the performance parameters set by the NRC Committee, that the remuneration payable to Mr. Vishnu Malpani (DIN: 10307319) may be altered, modified and/or the amount may be varied within the aforesaid ceiling limit of INR 130 Lakhs per annum, and/or the structure and components of remuneration including the variable pay, payable or to be paid may be varied, as may be provided during his tenure as Whole-Time Director of the Company, to the extent the NRC Committee and Board may consider appropriate, in terms of the Nomination and Remuneration Policy of the Company, and as maybe permitted/required towards adherence to statutory requirements and subject to compliance of applicable provisions of the Act and applicable regulations.

RESOLVED FURTHER THAT wherein any financial year during the tenure of Mr. Vishnu Malpani, as Whole-Time Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and allowances subject to further approvals as may be required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts and take all such steps 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 and CEO
DIN:01795599

Date: September 3, 2026
Place: Hyderabad

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular No.3 dated September 22, 2025 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at 90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad 500055, Telangana.

2. Pursuant to the provisions of the circulars on the VC/OAVM:

a) Members can attend the meeting through login credentials provided to them to connect to Video Conference VC/OAVM. Physical attendance of the members at the meeting venue is not required.

b) Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The VC/OAVM facility for Members to join the AGM shall be made available 45 minutes before the commencement of the AGM and shall remain open until 15 minutes after the conclusion of the AGM. Members may attend and participate in the AGM through VC/OAVM by following the instructions provided in this Notice.

4. As the AGM will be conducted through VC, the facility for appointment of proxy by the Members is not available for this AGM, and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. The Company has enabled the Members to participate at the 43rd AGM through VC facility. The instructions for participation by members are given in the subsequent pages. As per the provisions under the MCA circular, Members attending the 43rd AGM through VC shall be counted for the purpose of quorum under Section 103 of the Act.

6. In compliance with MCA and SEBI Circular, the financial statements including Board's Report, Auditor's report and other documents required to be attached therewith (together referred to as Annual Report FY2025-26) and Notice of AGM are being sent in electronic mode to those members / beneficial owners whose e-mail addresses are registered with the Company / Depositories as at close of business hours on August 28, 2026. Members may please note that this Notice and Annual Report 2025-26 will also be available on the Company's website at https://azad.in/annual-report/, websites of the Stock Exchanges i.e., BSE Limited and National Stock of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Kfin Technologies Limited at https://evoting.kfintech.com. Additionally, in accordance with Regulation 36 (1) (b) of the Listing Regulations, the Company is also sending a letter to members whose e-mail address is not registered with Company/ Depository Participant providing the exact web-link of Company's website from where the Annual Report for financial year 2025-26 can be accessed.

7. The Explanatory Statement pursuant to Section 102 of the Act in respect of Special Businesses set out above is annexed hereto and forms part of the Notice. The relevant details, pursuant to Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of Director(s) seeking appointment/re- appointment at this AGM is provided in **Annexure-A** to this Notice.

8. Institutional/Corporate Shareholders (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 through VC/OAVM on its behalf and to vote(s) through e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer i.e. Mr. Ashish Gaggar, Practicing Company Secretary, Hyderabad by e-mail through its registered e-mail address to ashishgaggar.pcs@gmail.com with a copy marked to cs@azad.in .

9. Pursuant to the provisions of Section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations read with Section VI-C of the SEBI Master Circular bearing reference no. SEBI/HO/CFD/CFD-PoD2/P/CIR/2024/133 dated 3 October, 2024, as amended ("SEBI Master Circular"), and SS-2 and any amendments thereto, the Company is providing the facility

to the members to exercise their right to vote both through remote e-voting and e-voting during the AGM on the resolution (s) as set forth in the AGM Notice by electronic means.

10. KFin Technologies Limited, Registrar & Transfer Agent of the Company ("RTA"), shall be providing the facility for voting and attending the AGM through VC. The Members can join the AGM by VC mode 45 minutes before and after the scheduled time of the commencement of the Meeting by following the instructions mentioned in this Notice. The facility of participation at the AGM through VC will be made available for 100000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Scrutinizer, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

12. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2026 to Tuesday, September 29, 2026 (both days inclusive). Cut - off date is Friday, September 18, 2026.

13. The Notice of AGM will be sent to the members; whose name appears in the Register of members / depositories as at closing hours of business on **August 28, 2026.**

14. In terms of Section 152 of the Companies Act 2013, Mr. Rakesh Chopdar (DIN:01795599) Whole-Time Director, who retires by rotation at the meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Brief profile of Director and relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are given in Annexure I. The Company has received the requisite consents/declarations for the appointment/ re-appointment under the Companies Act, 2013 and the rules made thereunder.

15. Mr. Ashish Kumar Gaggar, Company Secretary in Practice (Membership No. FCS-6687) 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. The Scrutinizer's decision on the validity of remote e-voting will be final.

16. **Updation of KYC for Communication:**
    Members whose KYC details (i.e., postal address with PIN code, mobile number, bank account details, PAN linked with Aadhaar etc.) or e-mail address is not registered/ updated with the Company or with their respective Depository Participant(s) (''DPs''), and who wish to receive the Notice of this AGM, the Annual Report for the financial year 2025-26 and all other future communications sent by the Company from time to time, can get their KYC details and e-mail address registered/ updated by following the steps as given below:

    i. Members holding equity shares in dematerialized mode - Register / update their e-mail addresses with respective DP.

    ii. In case anyone has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off / record date for e-Voting, i.e. Friday, September 18, 2026, such member may obtain the User ID and Password from KFin Tech by an e-mail request to einward.ris@kfintech.com .

17. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members may nominate a person in respect of all the shares held by them severally or jointly. Members holding shares in demat form may approach their respective Depository Participants to complete the nomination formalities.

18. The Companies (Management and Administration) Rules, 2014 stipulate that the remote electronic voting period shall close at 05:00 P.M. (IST) on the date preceding the date of AGM. Accordingly, the remote e-Voting period will commence at 09:00 A.M. (IST) on Saturday, September 26, 2026, and will end at 05:00 P.M. (IST) on Monday, September 28, 2026. The remote e-Voting will not be allowed beyond the aforesaid period and time, and the remote e-Voting module shall be disabled by KFin Tech.

19. The member(s) who have casted their vote(s) by remote e-Voting may also participate in this AGM through VC / OAVM but shall not be entitled to cast their vote(s) again. Once the vote(s) on a resolution is cast by a member, on submission, the member shall not be allowed to modify it subsequently.

20. Subject to approval of the requisite number of vote(s), the Resolutions set out in this Notice for the AGM shall be deemed to be passed on the date of the meeting i.e. September 29, 2026.

21. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking any information or clarification on the Notice of AGM are requested to send in writing queries to the Company, by Monday, September 28, 2026 through e-mail at cs@azad.in . Replies will be provided in respect of such written queries at the meeting.

22. Instructions for remote e-voting and procedure for joining the AGM through VC/OAVM and voting during the AGM:

a) Members are requested to provide their assent or dissent through remote e-voting only. In respect of those members who have not registered their e-mail IDs, they are requested to do so at the earliest by contacting their respective Depository Participant(s) ("DP").

b) Instructions for Remote E-Voting

i. In compliance with the provisions of Sections 108 and110 of the Act read with the Rules as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is providing facility to the Members to exercise voting through electronic voting system ("remote e-voting") on the e-voting platform provided by KFin. The Members may cast their votes remotely, using remote e-voting only on the dates mentioned hereunder. The instructions for remote e-voting forms part of this Notice.

ii. Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Saturday, September 26, 2026 at 9:00 a.m. (IST)	Monday, September 28, 2026 at 5:00 p.m. (IST)

iii. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

iv. Members whose names appear in the Register of Members / List of Beneficial Owners as on the cut-off date only i.e., Friday, September 18, 2026 shall be entitled to vote on the resolution set out in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

v. The process and manner for remote e-voting is as under:

- E-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

- Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- The process and manner of remote e-voting is explained below:

1. **Access to Depositories e-voting system in case of individual Members holding shares in demat mode.**

Type of Member	Login
Individual Members holding securities in demat mode with NSDL	**1. Users registered for NSDL IDeAS facility** i. **For OTP based login you can click on** https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . ii. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. iii. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. iv. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: i. **Visit the e-services website of NSDL** https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e. 'Azad Engineering Limited' or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. **3. Those not registered under IDeAS:** i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on company name i.e., 'Azad Engineering Limited' or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. App Store | Google Play

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi/ Easiest") facility:** i. **Visit** https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com . ii. Click on New System Myeasi. iii. Login to Myeasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.
	2. User not registered for Easi / Easiest i. **Visit**https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration for Registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.
	3. Alternatively, by directly accessing the e-voting website of CDSL i. **Visit** www.cdslindia.com ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Azad Engineering Limited' or select KFin. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / website of DPs	i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against 'Azad Engineering Limited' or 'KFin'. v. Members will be redirected to e-voting website of KFin forcasting their vote during the remote e-voting period without any further authentication.

Important Note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login Type	Helpdesk Details
Securities held with NSDL	**Please contact NSDL helpdesk by sending a request at** evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	**Please contact CDSL helpdesk by sending a request at** helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259

2. **Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.**

   Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number 10067, USER ID and password. They will have to follow the following process:

   i. Launch internet browser by typing the URL https://emeetings.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) 10067, 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 KFin for e-voting, you can use your existing User ID and password for casting the vote.

   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, e-mail 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. You need to login again with the new credentials.

   vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Azad Engineering Limited' 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. In case you do not desire to cast your vote, 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 else "CANCEL" to modify. Once you have voted on the resolution, 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.

   In case of any query and/ or assistance required, Members may refer to the Help & Frequently Asked Questions ("FAQs") available at the download section of https://evoting.kfintech.com or contact KFin at the email ID evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001 for any further clarifications/ technical assistance that may be required.

23. **Instructions for all the shareholders, including individual, other than individual and physical, for attending the AGM of the company through VC / OAVM and e voting during the meeting:**

    i. Members may access the same at https://emeetings.kfintech.com/ by using the e-Voting login credentials provided in the e-mail received from KFin Tech. After logging in, click on the Video Conference tab and select the EVEN 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 mentioned above.

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

iii. Members will be required to grant access to the webcam to enable VC / OAVM. Further, the Member(s) 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.

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

24. Other Instructions

a) Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings. kfintech.com and login through the user id and password provided in the mail received from KFin Tech. On successful login, select 'Speaker Registration' which will have opened from Saturday, September 26, 2026 at 9:00 a.m. (IST) to Monday September 28, 2026 at 5:00 p.m. (IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

b) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the record date for e-Voting, he/she may obtain the User ID and Password in the manner as mentioned below:

1. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

   i. Example for NSDL: MYEPWD EVENT NO. IN12345612345678

   ii. Example for CDSL: MYEPWD EVENT NO. 1402345612345678

2. 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.

3. In case of any query and/or grievance, in respect of voting by electronic means or technical assistance for VC/OAVM participation, Member(s) may refer to the Help & Frequently Asked Questions (FAQs) and e-Voting user manual available at the download section of https://evoting.kfintech.com or contact Mr. Umesh Pandey, an official of KFin Tech or dial to toll free No. 1-800-309-4001 or send an e-mail to at evoting.kfintech.com for any further clarifications.

25. General Instructions:

i. The Company has appointed Mr. Ashish Gaggar, Practicing Company Secretary, Hyderabad (FCS No. 6687, CP No. 7321) to act as Scrutinizer to scrutinize the remote e-Voting process and voting during the AGM in a fair and transparent manner. The Scrutinizer will submit their report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before October 1, 2026 and will also be displayed on the website of the Company (www.azad.in), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

ii. All communications relating to equity shares / AGM are to be addressed to the Company's RTA at KFin Technologies Limited, Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India, Toll free Number 1800 309 4001, e-Mail id: einward.ris@kfintech.com , website: www.kfintech.com.

Explanatory Statement

Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013 ("Act"), Secretarial Standards – 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Item No. 3

Increase in remuneration payable to Mr. Rakesh Chopdar, Chairman and Chief Executive Officer of the Company:

The Members of the Company had at their Extra-Ordinary General Meeting held on September 15, 2023, approved the appointment and remuneration of Mr. Rakesh Chopdar (DIN: 01795599) as the Whole-time Director, Chairman and Chief Executive Officer of the Company to hold office from September 13, 2023, to September 12, 2026, at remuneration of INR 480/- Lakhs per annum (which was inclusive of allowances/ benefits/ perquisites and exclusive of any form of reimbursement of expenses incurred on behalf of the Company).

Considering Mr. Rakesh Chopdar's leadership, strategic direction, responsibilities, contribution towards the growth and performance of the Company, industry benchmarks, and pursuant to the Nomination and Remuneration Policy of the Company and upon the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, and subject to the approval of the Members, the Board of Directors at its meeting held on May 12, 2026 approved the revision in remuneration payable to Mr. Rakesh Chopdar for the balance period of his existing tenure, i.e., from 1st April 2026 to 12th September 2026, to INR 528 Lakhs per annum, payable on a proportionate basis (which is inclusive of all allowances, benefits and perquisites and exclusive of reimbursement of expenses incurred on behalf of the Company), for the aforesaid period, together with being eligible for all benefits in accordance with the policies of the Company.

Pursuant to the provision of Regulation 17(6)(e) of Listing Regulations, approval of the Members of the Company by way of a special resolution is required to be obtained if the annual remuneration payable to executive directors who are promoters or members of the promoter group exceeds INR 5 Crore or 2.5 per cent of the net profits of the listed entity, whichever is higher. As the remuneration payable to Mr. Rakesh Chopdar, basis the approval of members at the general meeting, is likely to exceed INR 5 Crore or 2.5 per cent of the net profits of the Company, the consent of the members by way of special resolution is sought for such reappointment.

The proposed remuneration is within the overall maximum limit prescribed under the provisions of Sections 197 and 198 read with Schedule V of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Managerial Personnel Rules) and is in accordance with the Nomination and Remuneration Policy of the Company.

Except for the above revision in remuneration, all other terms and conditions of the appointment and remuneration of Mr. Rakesh Chopdar, as approved by the Members at the Extra-Ordinary General Meeting held on 15th September 2023, shall remain unchanged and continue to be in full force and effect.

The Board is of the opinion that the proposed revision in remuneration is fair, reasonable and commensurate with the size, operations and performance of the Company, and the responsibilities entrusted to Mr. Rakesh Chopdar.

The Board of Directors recommend to the members to pass resolution no. 3 for revision of remuneration of Mr. Rakesh Chopdar as aforesaid, as an Special Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, except Mrs. Jyoti Chopdar, his spouse, is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

Item No. 4

Re-appointment of Mr. Rakesh Chopdar (DIN: 01795599) as Whole-Time Director, Chairman and Chief Executive Officer of the Company for a term of five (5) years:

The shareholders of the Company at their Extra-Ordinary General Meeting('EOGM') held on September 15, 2023, appointed Mr. Rakesh Chopdar (DIN: 01795599) as a Whole-Time Director, liable to retire by rotation and designated him as the Chairman and Chief Executive Officer of the Company for a period of three years, with effect from September 13, 2023, to hold office till September 12, 2026.

The Company has received notice in writing under Section 160 of the Act from a member proposing the re-appointment of Mr. Rakesh Chopdar as the Whole-Time Director, Chairman and Chief Executive Officer of the Company. Mr. Rakesh Chopdar has given his consent in Form DIR - 2 to be reappointed as the Whole-Time Director, Chairman and Chief Executive Officer of the Company and submitted declaration that he is not disqualified from being appointed as such, under the Act and the Listing Regulations. Mr. Rakesh Chopdar satisfies all the conditions set out in Part-I of Schedule V of the Act and conditions set out under Section 196(3) of the act and the Nomination and Remuneration Policy of the Company.

The Board of Directors had at its meeting held on May 12, 2026, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of the members at the ensuing General Meeting, approved the re-appointment of Mr. Rakesh Chopdar, as the Whole-time Director, Chairman and Chief Executive Officer of the Company, who shall be liable to retire by rotation with effect from September 13, 2026 to hold office till September 12, 2031 at remuneration as detailed in the resolution no. 4 of the notice.

Pursuant to the provision of Regulation 17(6)(e) of Listing Regulations, approval of the Members of the Company by way of a special resolution is required to be obtained if the annual remuneration payable to executive directors who are promoters or members of the promoter group exceeds INR 5 Crore or 2.5 per cent of the net profits of the listed entity, whichever is higher. As the remuneration payable to Mr. Rakesh Chopdar, basis the approval of members at the general meeting, is likely to exceed INR 5 Crore or 2.5 per cent of the net profits of the Company, the consent of the members by way of special resolution is sought for such reappointment.

The remuneration payable to Mr. Rakesh Chopdar is within the overall maximum limit prescribed under the provisions of Sections 197 and 198 read with Schedule V of the Act, the Managerial Personnel Rules, and is in accordance with the Nomination and Remuneration Policy of the Company.

Pursuant to BSE Circular with ref. no. LIST/COMP/14/2018- 19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/ CML/2018/24, both dated 20th June 2018, Mr. Rakesh Chopdar (DIN: 01795599) is not debarred from holding the office of Director by virtue of order of SEBI or any other such authority.

The brief resume of Mr. Rakesh Chopdar, and information as required to be disclosed under the Listing Regulations and incremental details as per Secretarial Standards-2, are Annexed to this notice as Annexure A.

The Board of Directors recommend to the members to pass resolution no. 4 for reappointment of Mr. Rakesh Chopdar as the Whole-time Director, Chairman and Chief Executive Officer of the Company, as a Special Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, except Mrs. Jyoti Chopdar, his spouse, is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

Item No. 5

Re-appointment of Mrs. Jyoti Chopdar (DIN: 03132157) as Whole-Time Director of the Company for a term of five (5) years:

The Shareholders of the Company at their Extra-Ordinary General Meeting('EOGM') held on September 15, 2023, appointed Ms. Jyoti Chopdar (DIN: 03132157) as a Whole-Time Director of the Company for a period of three years, with effect from September 13, 2023, up to and including September 12, 2026.

The Company has received notice in writing under Section 160 of the Act from a member proposing the re-appointment of Mrs. Jyoti Chopdar as the Whole-Time Director of Company. Mrs. Jyoti Chopdar has given her consent in Form DIR - 2 to be reappointed as the Whole-Time Director of the Company and submitted declaration that she is not disqualified from being appointed as such, under the Act and the Listing Regulations. Mrs. Jyoti Chopdar satisfies all the conditions set out in Part-I of Schedule V of the Act and conditions set out under Section 196(3) of the Act and the Nomination and Remuneration Policy of the Company.

The Board of Directors had at its meeting held on May 12, 2026, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of the members at the ensuing General Meeting, approved the re-appointment of Mrs. Jyoti Chopdar, as the Whole-Time Director of the Company with effect from September 13, 2026 to hold office till September 12, 2031, who shall be liable to retire by rotation at remuneration as detailed in the resolution.

The remuneration payable is within the overall maximum limit prescribed under the provisions of Sections 197 and 198 read with Schedule V of the Act, the Managerial Personnel Rules, the Listing Regulations and is in accordance with the Nomination and Remuneration Policy of the Company.

Pursuant to BSE Circular with ref. no. LIST/COMP/14/2018- 19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/ CML/2018/24, both dated 20th June 2018, Ms. Jyoti Chopdar (DIN: 03132157) is not debarred from holding the office of Director by virtue of order of SEBI or any other such authority.

The brief resume of Mrs. Jyoti Chopdar, and information as required to be disclosed under the Listing Regulations and incremental details as per Secretarial Standards-2, are Annexed to this notice as Annexure A.

The Board of Directors recommend to the members to pass resolution no. 5 for reappointment of Mrs. Jyoti Chopdar as the Whole-Time Director of the Company, as an Ordinary Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, except Mr. Rakesh Chopdar, her spouse, is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

Item No. 6

Re-appointment of Mr. Vishnu Malpani (DIN: 10307319) as Whole-Time Director of the Company for a term of five (5) years:

The Shareholders of the Company at their Extra-Ordinary General Meeting held on September 15, 2023, appointed Mr. Vishnu Malpani (DIN: 10307319) as a Whole-Time Director of the Company, liable to retire by rotation, for a period of three years, with effect from September 13, 2023, up to and including September 12, 2026.

The Company has received notice in writing under Section 160 of the Act from a member proposing the reappointment of Mr. Vishnu Malpani as the Whole-Time Director of Company. Mr. Vishnu Malpani has given his consent in Form DIR - 2 to be reappointed as the Whole-Time Director of the Company and submitted declaration that he is not disqualified from being appointed as such, under the Act and the Listing Regulations. Mr. Vishnu Malpani satisfies all the conditions set out in Part-I of Schedule V of the Act and conditions set out under Section 196(3) of the Act and the Nomination and Remuneration Policy of the Company.

The Board of Directors had at its meeting held on May 12, 2026, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of the members at the ensuing General Meeting, approved the reappointment of Mr. Vishnu Malpani, as the Whole-Time Director of the Company with effect from September 13, 2026 to hold office till September 12, 2031 at remuneration as detailed in the resolution no. 6 of the notice. Further, the variable pay to Mr. Vishnu Malpani shall be payable on meeting the performance parameters set by the NRC Committee.

The remuneration payable is within the overall maximum limit prescribed under the provisions of Sections 197 and 198 read with Schedule V of the Act, Managerial Personnel Rules, the Listing Regulations and is in accordance with the Nomination and Remuneration Policy of the Company.

Pursuant to BSE Circular with ref. no. LIST/COMP/14/2018- 19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/ CML/2018/24, both dated 20th June 2018, Mr. Vishnu Malpani (DIN: 10307319) is not debarred from holding the office of Director by virtue of order of SEBI or any other such authority.

The brief resume of Mr. Vishnu Malpani, and information as required to be disclosed under the Listing Regulations and incremental details as per Secretarial Standards-2, are Annexed to thisnotice as Annexure A.

The Board of Directors recommend to the members to pass resolution no. 6 for reappointment of Mr. Vishnu Malpani as the Whole-Time Director of the Company, as an Ordinary Resolution.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

Annexure A

Details of Directors Seeking Appointment / Re-Appointment

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings.]

Name of the Director	Mr. Rakesh Chopdar	Mrs. Jyoti Chopdar	Mr. Vishnu Malpani
DIN	01795599	03132157	10307319
Date of Birth	09-11-1978	21-01-1977	25-02-1988
Age	47 years	46 years	38 years
Date of First Appointment on the Board	14-08-2003	01-07-2014	13-09-2023
Qualifications	Matriculation	Bachelor of Arts degree from Kurukshetra University	Bachelor of Technology degree from the Indian Institute of Technology (IIT) Guwahati and has attended executive leadership programs at ISB Hyderabad and IIM Ahmedabad.
Experience, Skills required for the role and the manner in which the Proposed person meets the requirement including brief Profile	Mr. Chopdar leads the Company's engineering and manufacturing capability, sets its long-term product and process roadmap, and anchors the Company's engagement with global OEMs. He also drives the Company's capacity expansion programme and its adoption of digital manufacturing and industrial AI across design, production and supply chain.	Mrs. Jyoti Chopdar has served the Company for over eight years, providing strategic oversight of its general administrative operations. She has been instrumental in streamlining the Company's administrative functions and processes, supporting organisational discipline through a period of sustained growth.	Mr. Malpani drives enterprise strategy and capital formation, with decisions on customers, contracts, capital, capability and capacity steered through his office, ensuring alignment across commercial, operational and financial priorities. His experience in investor engagement, governance frameworks and capital allocation suits the Company's long-horizon growth agenda.
Nature of expertise in specific functional areas	Precision Engineering & Manufacturing, Product & Process Development, Global OEM Engagement , Capacity Expansion & Operations, Strategic Leadership	General Administration, Organisational Processes & Systems, Corporate Support Functions	Corporate Strategy, Capital Markets & Fund Raising, Investor Relations, Corporate Governance
Directorships held in other companies	• Azad Engineering Limited • Azad VTC Private Limited • Azad Prime Private Limited • Swastik Coaters Private Limited • Rouland Chemicals Private Limited	• Azad Engineering Limited • Azad VTC Private Limited • Azad Prime Private Limited • Swastik Coaters Private Limited • Rouland Chemicals Private Limited • Forgen Power Parts Private Limited • OHGO Engineering Private Limited • Azad Superalloys Private Limited	Azad Engineering Limited
Memberships/ Chairmanships of committees across all Companies	Refer Corporate Governance Report FY 2025-26, which forms part of this Annual Report, for details of Memberships/Chairmanships of committees across all Companies.		

Name of the Director	Mr. Rakesh Chopdar	Mrs. Jyoti Chopdar	Mr. Vishnu Malpani
Name of Listed entities from which the Director has resigned in the last three years.	Nil	Nil	Nil
Number of Meetings attended during the financial year	Refer Corporate Governance Report FY 2025-26, which forms part of this Annual Report, for the details of the number of meetings attended by the Directors.		
Shareholding in the Company	3,54,44,988 equity shares	4,41,300 equity shares	99,103 equity shares
Relationships between directors and Key Manegerial Personnel inter-se	Rakesh Chopdar is the Husband of Mrs. Jyoti Chopdar	Jyoti Chopdar is the Wife of Mr. Rakesh Chopdar	None
Terms and conditions of appointment or re-appointment.	Reappointment as Whole-Time Director, Chairman and Chief Executive Officer, liable to retire by rotation, for a period of 5 years from September 13, 2026 to hold office till September 12, 2031	Reappointment as Whole-Time Director of the Company, liable to retire by rotation for a period of 5 years from September 13, 2026 to hold office till September 12, 2031.	Reappointment as Whole-Time Director of the Company, liable to retire by rotation, for a period of 5 years from September 13, 2026 to hold office till September 12, 2031
Remuneration last drawn if Applicable	INR 480 Lakhs per annum	INR 120 Lakhs per annum	INR 130 Lakhs per annum (which includes fixed pay of INR 120 Lakhs per annum and INR 10/-Lakh variable pay per annum).
Remuneration proposed to be paid	INR 528 Lakhs per annum.	INR 120 Lakhs per annum.	INR 130 Lakhs per annum (which includes fixed pay of INR 120 Lakhs per annum and INR 10/-Lakh variable pay per annum).

BRIEF RESUME OF DIRECTORS:

Mr. Rakesh Chopdar Founder | Chairman and CEO

Mr. Rakesh Chopdar founded AZAD in 2008 in Hyderabad, beginning on the shop floor as a CNC machine operator. A first-generation entrepreneur, he has built the Company over eighteen years into a globally recognised manufacturer of highly engineered, critical components for the aerospace, defence, energy and oil & gas sectors, serving many of the world's leading original equipment manufacturers. He has overseen the Company's growth to a workforce of around 2,500 and the commissioning of its newest mega plant, built on lean manufacturing principles with dedicated factories and offices for individual customers. He is committed to establishing India as a global centre for precision manufacturing.

Mrs. Jyoti Chopdar | Whole Time Director

Mrs. Jyoti Chopdar has been associated with AZAD for over eight years, during which she has provided strategic oversight of the Company's general administrative operations. Her contribution has centred on strengthening internal administrative functions and building the processes and systems required to support an organisation growing rapidly in size and complexity. She holds a Bachelor of Arts degree from Kurukshetra University.

Mr. Vishnu Malpani| Whole Time Director

Mr. Vishnu Malpani has held senior leadership roles across several industries, where he has been responsible for running businesses and delivering their financial results. At AZAD he shapes both the near-term and long-term direction of the business, with commercial, operational and financial priorities converging through his office. He guided the Company through its full capital-markets journey, from structured finance instruments and private funding rounds to its Initial Public Offer and Qualified Institutions Placement. He holds a Bachelor of Technology degree from IIT Guwahati and has attended executive programmes at ISB Hyderabad and IIM Ahmedabad.

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