

**INDEPENDENT AUDITOR'S REPORT**

To the Members of MTAR Technologies Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of MTAR Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit



procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<b><u>Revenue recognition</u></b> <i>(as described in Note 2.2f and 20 of the standalone financial statements)</i>	
<p>Revenue from contracts with customer is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. During the year ended March 31, 2025, the Company has recognised revenue amounting to Rs. 1,328.80 million and Rs. 5,317.66 million from domestic and export sales respectively.</p> <p>The point at which control passes is determined based on the terms and conditions by each customer arrangement i.e., delivery specifications including incoterms in case of exports. The risk is, therefore, that revenue may not get recognised in the correct period.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers").</li> <li>• Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> <li>• Performed the following tests for a sample of transactions <ul style="list-style-type: none"> <li>○ tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents.</li> <li>○ verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied.</li> </ul> </li> <li>• Tested the supporting documentation for sample of sales transactions recorded during the period closer to the year end to agree the period of revenue recognition to underlying documents as referred above.</li> <li>• Assessed the relevant disclosures made in the standalone financial statements.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### **Other Information**

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

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

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

When we read the Annual report, 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 for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 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.

## **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 the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on



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behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such 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 (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 41 to the financial statements). Further, during the course of our audit 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.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Atin Bhargava  
per Atin Bhargava  
Partner  
Membership Number: 504777  
UDIN: 25504777BMOCMM7252  
Place of Signature: Hyderabad  
Date: May 22, 2025



# **S.R. BATLIBOI & ASSOCIATES LLP**

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Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: MTAR Technologies Limited ("the Company")**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.



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(iii) (a) During the year the Company has provided loans as follows:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year - Subsidiaries	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	19.50	Nil	73.95	Nil

During the year the Company has not provided loans, advances in the nature of loans and provided security to Limited Liability Partnerships or any other parties.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except for extension of loan and interest accrued thereon as stated in clause iii(e) below.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company had granted loans to companies which had fallen due during the year and the Company had extended the due date of loans during the year to the respective parties to settle the dues of the existing loans. The aggregate amount of such dues extended and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

Name of Parties	Aggregate amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted as at the balance sheet date
Gee Pee Aerospace and Defence Private Limited	73.95	100%



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(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of high precision machinery, and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision of sales tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Paid under protest (Rs)	Forum where the dispute is pending
Greater Hyderabad Municipal Corporation Act, 1955	Property tax	25,529,461	From 2011-12 to 2020-21	25,529,461	Supreme court of India

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company



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(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ 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) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (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. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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.



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(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31 to the financial statements.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava

Partner

Membership Number: 504777

UDIN: 25504777BMOCMM7252

Place of Signature: Hyderabad

Date: May 22, 2025



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MTAR TECHNOLOGIES LIMTED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of MTAR Technologies Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these 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 these 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 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 these standalone financial statements.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

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

## **Opinion**

In our opinion, the Company has, in all material respects, 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Atin Bhargava

Partner

Membership Number: 504777

UDIN: 25504777BMOCMM7252

Place of Signature: Hyderabad

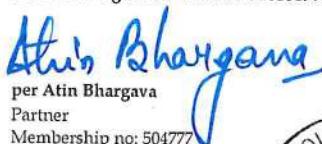
Date: May 22, 2025



Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	4,223.57	3,312.10
Capital work in progress	3.1	531.61	677.50
Intangible assets	3 (b)	25.42	7.30
Financial assets			
Investments	4 (a)	67.04	67.04
Loans	5 (a)	61.17	61.17
Other financial assets	5 (b)	44.31	25.69
Non-current tax assets (net)	6	15.41	51.49
Other non-current assets	7	142.20	213.30
		5,110.73	4,415.59
<b>Current assets</b>			
Inventories	9	3,452.62	3,468.39
Financial assets			
Trade receivables	10	2,094.43	1,462.72
Cash and cash equivalents	11	18.72	392.22
Bank balances other than cash and cash equivalents	12	147.28	114.42
Other financial assets	5 (b)	81.18	92.57
Other current assets	8	376.89	114.16
		6,171.12	5,644.48
<b>Total assets</b>		<b>11,281.85</b>	<b>10,060.07</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	307.59	307.59
Other equity	14	6,999.60	6,464.06
		7,307.19	6,771.65
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	810.33	969.89
Provisions	15	46.56	26.27
Deferred tax liabilities (net)	16	219.95	206.56
Non current liabilities	19	31.78	30.43
		1,108.62	1,233.15
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	962.11	932.39
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		114.74	3.03
- total outstanding dues of creditors other than micro, small and medium enterprises		936.67	610.75
Other financial liabilities	17A	373.17	157.30
Other current liabilities	19	441.55	318.63
Provisions	15	37.80	33.17
		2,866.04	2,055.27
<b>Total equity and liabilities</b>		<b>11,281.85</b>	<b>10,060.07</b>
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.  
 As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
 Chartered accountants  
 ICAI Firm registration number: 101049W/E300004

  
 per Atin Bhargava  
 Partner  
 Membership no: 504777



Place: Hyderabad  
 Date: May 22, 2025

For and on behalf of the Board of Directors of  
 MTAR Technologies Limited  
  
 Parvat Srinivas Reddy  
 Managing Director  
 DIN: 00359139  
  
 Subbu Venkata Rama Behara  
 Director  
 DIN: 00289721

  
 Gunneswara Rao Pusarla  
 Chief Financial Officer  
  
 Naina Singh  
 Company Secretary  
 Membership no: A68201

Place: Hyderabad  
 Date: May 22, 2025



Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income</b>			
Revenue from operations	20	6,759.57	5,800.33
Other income	21	57.36	63.63
<b>Total income</b>		<b>6,816.93</b>	<b>5,863.96</b>
<b>Expenses</b>			
Cost of materials consumed	22	3,485.05	3,173.66
Changes in inventories of work-in-progress	23	(69.74)	(163.76)
Employee benefits expense	24	1,221.66	951.52
Finance costs	25	221.60	221.71
Depreciation and amortisation expense	26	317.74	226.42
Other expenses	27	916.04	722.19
<b>Total expense</b>		<b>6,092.35</b>	<b>5,131.74</b>
<b>Profit before tax</b>		<b>724.58</b>	<b>732.22</b>
<b>Tax expense</b>	28		
Current tax		175.87	157.66
Adjustment of tax relating to earlier periods		(4.22)	(14.29)
Deferred tax	5	14.40	26.17
<b>Total tax expense</b>		<b>186.05</b>	<b>169.54</b>
<b>Profit for the year</b>		<b>538.53</b>	<b>562.68</b>
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		(4.00)	1.14
Income tax on above		1.01	(0.29)
<b>OCI for the period, net of tax</b>		<b>(2.99)</b>	<b>0.85</b>
<b>Total comprehensive income for the year</b>		<b>535.54</b>	<b>563.53</b>
Earnings per equity share of Rs. 10 each fully paid (31 March 2024; INR 10)	29		
Basic and diluted, computed on the basis of profit attributable to equity holders (in rupees)		17.51	18.29
<b>Summary of material accounting policies</b>	2.2		

The accompanying notes are an integral part of the standalone financial statements.  
 As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
 Chartered accountants  
 ICAI Firm registration number: 101049W/E300004

*Attn: Bhargava*  
 per Atin Bhargava  
 Partner  
 Membership no: 504777  


Place: Hyderabad  
 Date: May 22, 2025

For and on behalf of the Board of Directors of  
 MTAR Technologies Limited

*Parvat Srinivas Reddy*  
 Parvat Srinivas Reddy  
 Managing Director  
 DIN: 00359139

*P. Venkata Rao*  
 Gunneswara Rao Pusarla  
 Chief Financial Officer

*Subbu Venkata Rama Behara*  
 Subbu Venkata Rama Behara  
 Director  
 DIN: 00289721

*Naina Singh*  
 Naina Singh  
 Company Secretary  
 Membership no: A68201



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A Cash flow from operating activities</b>		
Profit before tax	724.58	732.22
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	317.74	226.42
Finance costs	221.60	221.71
Profit from sale of mutual funds	(0.42)	(23.64)
Net unrealised exchange loss		8.01
Loss on sale of property, plant and equipment	(12.85)	(2.43)
Interest Income on bank deposits and others	(16.20)	(14.30)
<b>Operating profit before working capital changes</b>	<b>1,234.45</b>	<b>1,147.99</b>
<i>Movements in working capital:</i>		
Decrease / (Increase) in trade receivables	(631.71)	611.63
Decrease / (Increase) in inventories	15.77	391.28
Decrease / (Increase) in current and non current financial assets	13.70	(43.22)
Decrease / (Increase) in other current and non current assets	(258.56)	269.99
Increase / (decrease) in trade payables	437.62	(1,566.91)
Increase / (decrease) in other financial liabilities	196.98	87.80
Increase / (decrease) in other current and Non current liabilities	124.27	(146.84)
Increase / (decrease) in Provisions	20.92	14.91
<b>Cash generated from operations</b>	<b>1,153.44</b>	<b>766.63</b>
Income tax paid (net of refunds)	(135.57)	(211.92)
<b>Net cash flows from operating activities</b>	<b>(A)</b>	<b>1,017.87</b>
		<b>554.71</b>
<b>B Cash flow used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(1,015.93)	(903.57)
Proceeds from sale of property, plant and equipment	13.16	3.45
Investment in units of mutual fund	(70.00)	(751.76)
Receipt from redemption in units of mutual fund	70.42	1,050.14
Loans to subsidiary		(19.50)
Investment in bank deposits	(127.89)	(259.49)
Redemption from bank deposits	80.50	332.59
Interest received	9.81	10.72
<b>Net cash flows used in investing activities</b>	<b>(B)</b>	<b>(1,039.93)</b>
		<b>(537.42)</b>
<b>Cash flow from / (used in) financing activities</b>		
Proceeds from long term borrowings	291.50	676.53
Repayment of long term borrowings	(446.06)	(302.65)
Proceeds from / (repayment of) short term borrowings (net)	24.72	100.47
Finance costs paid	(221.60)	(221.71)
<b>Net cash flows from / (used in) financing activities</b>	<b>(C)</b>	<b>(351.44)</b>
		<b>252.64</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>269.93</b>
Cash and cash equivalents at the beginning of the year		392.22
Cash and cash equivalents at the end of the year		18.72
		<b>392.22</b>



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of cash and cash equivalents		
Cash on hand	0.29	0.25
Balance with banks:		
Current accounts	18.43	391.97
Total cash and cash equivalents	<u>18.72</u>	<u>392.22</u>

The reconciliation between the opening and the closing balances for liabilities arising from financing activities (long-term borrowings, including current maturities and short-term borrowings) is as follows:

	Long-term including current maturities	Short-term
Opening as on April 01, 2023	1,050.82	377.11
Proceeds for Long-term including current maturities	676.53	-
Repayment for Long-term including current maturities	(302.65)	-
Proceeds / (repayment) for Short-term (net)	-	100.47
Closing as on March 31, 2024	1,424.70	477.58
Proceeds for Long-term including current maturities	291.50	-
Repayment for Long-term including current maturities	(446.06)	-
Proceeds / (repayment) Short-term (net)	-	24.72
Closing as on March 31, 2025	1,270.14	502.30

Summary of material accounting policies	2.2
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The accompanying notes are an integral part of the standalone financial statements.  
 As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
 Chartered accountants  
 ICAI Firm registration number: 101049W/E300004

*Atin Bhargava*  
 per Atin Bhargava  
 Partner  
 Membership no: 504777



Place: Hyderabad  
 Date: May 22, 2025

For and on behalf of the Board of Directors of  
 MTAR Technologies Limited

*P. Srinivas Reddy*  
 Parvat Srinivas Reddy  
 Managing Director  
 DIN: 00359139

*Subbu Venkata Rama Behara*  
 Subbu Venkata Rama Behara  
 Director  
 DIN: 00289721

*Naina Singh*  
 Naina Singh  
 Company Secretary  
 Membership no: A68201

Place: Hyderabad  
 Date: May 22, 2025



MTAR Technologies Limited

CIN: L72200TG1999PLC032836

Standalone statement of changes in equity for the year ended March 31, 2025

(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid up	No. of shares	Amount
For the year ended March 31, 2025		
As at April 01, 2024	3,07,59,591	307.59
Add: Issued during the year	-	-
As at March 31, 2025	3,07,59,591	307.59
For the year ended March 31, 2024		
As at April 01, 2023	3,07,59,591	307.59
Add: Issued during the year	-	-
As at March 31, 2024	3,07,59,591	307.59

b) Other equity

Particulars	Securities premium	Capital redemption reserve	Retained earnings	Total
As at April 01, 2023	3,199.56	14.55	2,686.42	5,900.53
Profit for the year	-	-	562.68	562.68
Other comprehensive income (net of tax)	-	-	0.85	0.85
As at March 31, 2024	3,199.56	14.55	3,249.95	6,464.06
Profit for the year	-	-	538.53	538.53
Other comprehensive income (net of tax)	-	-	(2.99)	(2.99)
As at March 31, 2025	3,199.56	14.55	3,785.49	6,999.60

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered accountants

ICAI Firm registration number: 101049W/E300004

  
per Atin Bhargava

Partner

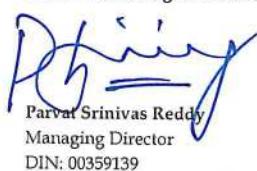
Membership no: 504777



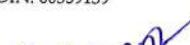
Place: Hyderabad

Date: May 22, 2025

For and on behalf of the Board of Directors of  
MTAR Technologies Limited

  
Parvat Srinivas Reddy  
Managing Director  
DIN: 00359139

  
Subbu Venkata Rama Behara  
Director  
DIN: 00289721

  
Gunneswara Rao Pusarla  
Chief Financial Officer

  
Naina Singh  
Company Secretary  
Membership no: A68201

Place: Hyderabad

Date: May 22, 2025

## 1 Corporate Information

MTAR Technologies Limited ("MTAR" or "the Company") was a private limited company domiciled in India, and incorporated on November 11, 1999 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act 2013 ("Act") w.e.f. April 1, 2014 with its registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad, Telangana, India 500037. The Company is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc. The Company became a Public Limited Company w.e.f. November 2, 2020 and consequently the name of the Company has changed from MTAR Technologies Private Limited to MTAR Technologies Limited. The Company listed its shares in both BSE and NSE on March 15, 2021.

The standalone financial statements were approved for issue in accordance with a resolution passed by the Board of Directors of the Company on 22 May 2025.

The financial statements once approved by the Board of directors needs to be adopted by the shareholders at the annual general meeting of the company. The Board of directors can withdraw and re-issue the financial statements so adopted only in specific cases such as non-compliance with the applicable accounting standards, with the approval of Tribunal, after following the appropriate procedure as per Act.

## 2 Material accounting policies

These notes provide a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Basis of preparation

The standalone financial statements for the year ended March 31, 2025 comprising of standalone balance sheet as at March 31, 2025, standalone statement of profit and loss, standalone statement of cash flow and standalone statement of changes in equity for the year ended, and a summary of explanatory notes (together hereinafter referred to as "financial statements") have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the standalone financial statements and other accounting principles generally accepted in India.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefits plan - plan assets measured at fair value

The financial statements are presented in Indian Rupees "INR" or "Rs." and all values are stated as Indian Rupees in millions upto two decimal places, except when otherwise indicated.

### 2.2 Summary of material accounting policies

#### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.  
An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



**b) Property, plant and equipment**

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment 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. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is equal to the life prescribed under the Schedule II to the Companies Act, 2013.

The useful lives estimated by the management are given below:

Category of asset	Estimated useful life (years)
<b>Property, plant and equipment</b>	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3 / 6 years
Vehicles	8

The residual value, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income) / expense, net" in the statement of profit and loss.

**c) Intangible assets**

Costs relating to computer software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of three years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**d) Inventories**

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. 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 the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i. **Raw materials** : Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. **Finished goods and work-in-progress**: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

**e) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.



The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**f) Revenue**

**(i) Revenue from contract with customers**

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 transaction price 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.

**Sale of goods**

Revenue is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

**Contract Balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivable**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial instruments - initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**(ii) 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.

**(iii) Interest income**

Interest income from a financial asset 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.

**(iv) Dividend income**

Dividend income from investments is recognised in the year in which the right to receive the payment is established.



g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) **Foreign currency transactions**

Items included in the financial statements of Company are measured using currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Company. Net gain relating to translation or settlement of borrowings denominated in foreign currency are reported within Other income.

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company in INR at spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at INR spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Net loss relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary 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.

i) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets*

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)



*Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss.

*Debt instruments at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

*Debt instruments at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

*Equity instruments designated at fair value through OCI*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

*Investment in Subsidiary:*

The Company has elected to recognize its investments in subsidiary at cost less accumulated impairment loss, if any in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost represents amount paid for acquisition of the said investments.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. The details of such investment are given in Note 4. Refer to the accounting policies in (g) Impairment of non-financial assets.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



*Impairment of financial assets*

Further disclosures relating to impairment of financial assets are also provided in the following note:  
Trade receivables- see note 10

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than the 365 days over and above the usual credit period.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due over a reasonable period of credit
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

*Subsequent measurement*

The measurement of financial liabilities is as described below:

*Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and 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.

*De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

*Reclassification of financial instruments*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**j) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating officer / chief executive officer. The chief operating officer / chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

**k) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 32)

- Investment in unquoted equity shares (note 4)

- Financial instruments (including those carried at amortised cost) (notes 5, 9, 10, 11, 16, 17, 17A, 34, 37)

1) Taxes

**Tax expense comprises current tax expense and deferred tax**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

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

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Sales / value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales / value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



**m) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**n) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

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

**o) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management.

**q) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.



r) Supplier finance arrangements

The Company has established supplier finance arrangements (Refer Note 17A). The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement. The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the Company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.

s) New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Company's separate financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.



**Note 3a: Property, plant and equipment**

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total property, plant and equipment
<b>As at April 01, 2023</b>	<b>467.14</b>	<b>723.89</b>	<b>2,326.32</b>	<b>30.89</b>	<b>38.96</b>	<b>20.05</b>	<b>43.41</b>	<b>19.71</b>	<b>3,670.37</b>
Additions during the year	145.86	95.40	427.79	9.15	19.33	9.94	11.59	-	719.06
Disposals during the year	-	-	16.71	-	-	-	-	-	16.71
<b>As at March 31, 2024</b>	<b>613.00</b>	<b>819.29</b>	<b>2,737.40</b>	<b>40.04</b>	<b>58.29</b>	<b>29.99</b>	<b>55.00</b>	<b>19.71</b>	<b>4,372.72</b>
Additions during the year	-	158.35	1,037.13	-	18.73	15.99	8.36	3.76	1,222.32
Disposals during the year	-	-	8.21	-	-	-	-	-	8.21
<b>As at March 31, 2025</b>	<b>613.00</b>	<b>957.64</b>	<b>3,766.32</b>	<b>40.04</b>	<b>77.02</b>	<b>45.98</b>	<b>63.36</b>	<b>23.47</b>	<b>5,586.83</b>
<b>Accumulated depreciation and amortisation</b>									
<b>As at April 01, 2023</b>	<b>-</b>	<b>98.46</b>	<b>678.42</b>	<b>18.60</b>	<b>17.64</b>	<b>8.14</b>	<b>27.80</b>	<b>6.15</b>	<b>855.21</b>
Charge for the year	-	26.59	172.63	3.23	3.35	4.86	8.16	2.17	220.99
Disposals for the year	-	-	15.58	-	-	-	-	-	15.58
<b>As at March 31, 2024</b>	<b>-</b>	<b>125.05</b>	<b>835.47</b>	<b>21.83</b>	<b>20.99</b>	<b>13.00</b>	<b>35.96</b>	<b>8.32</b>	<b>1,060.62</b>
Charge for the year	-	30.19	252.71	4.31	4.51	7.05	9.13	2.18	310.08
Disposals for the year	-	-	7.44	-	-	-	-	-	7.44
<b>As at March 31, 2025</b>	<b>-</b>	<b>155.24</b>	<b>1,080.74</b>	<b>26.14</b>	<b>25.50</b>	<b>20.05</b>	<b>45.89</b>	<b>10.50</b>	<b>1,363.26</b>
<b>Net block</b>									
<b>As at March 31, 2025</b>	<b>613.00</b>	<b>802.40</b>	<b>2,685.58</b>	<b>13.90</b>	<b>51.52</b>	<b>25.93</b>	<b>18.27</b>	<b>12.97</b>	<b>4,223.57</b>
<b>As at March 31, 2024</b>	<b>613.00</b>	<b>694.24</b>	<b>1,901.33</b>	<b>18.21</b>	<b>37.30</b>	<b>16.99</b>	<b>19.04</b>	<b>11.39</b>	<b>3,312.10</b>

Certain land and buildings are subject to a first charge to secure the Company's bank loans. (refer note 17)

**Note 3b: Intangible assets**

**Intangible assets -**

<b>As at April 01, 2023</b>	<b>43.72</b>								
Additions during the year	-	4.79							
Disposals during the year	-	-							
<b>As at March 31, 2024</b>	<b>48.51</b>								
Additions during the year	-	25.78							
Disposals during the year	-	-							
<b>As at March 31, 2025</b>	<b>74.29</b>								
<b>Accumulated depreciation and amortisation</b>									
<b>As at April 01, 2023</b>	<b>35.78</b>								
Charge for the year	-	5.43							
Disposals for the year	-	-							
<b>As at March 31, 2024</b>	<b>41.21</b>								
Charge for the year	-	7.66							
Disposals for the year	-	-							
<b>As at March 31, 2025</b>	<b>48.87</b>								
<b>Net block</b>									
<b>As at March 31, 2025</b>	<b>25.42</b>								
<b>As at March 31, 2024</b>	<b>7.30</b>								



Note 31: Capital work in progress

Particulars	Amount
As at April 01, 2023	631.61
Additions	769.74
Capitalised during the year	(723.85)
As at March 31, 2024	677.50
Additions	1,102.21
Capitalised during the year	(1,248.10)
As at March 31, 2025	531.61
Capital work in progress (CWIP)	
(a) Ageing schedule	

	March 31, 2025			March 31, 2024		
	Amount in CWIP for a period of			Amount in CWIP for a period of		
	Less than 1 year	1-2 years	More than 3 years	Less than 1 year	1-2 years	More than 3 years
Less than 1 year	3 years	3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress						
Projects temporarily suspended	390.13	73.10	68.37	531.61	350.75	323.03
Total	390.13	73.10	68.37	531.61	350.75	323.03

(b) As at March 2025, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.  
As at March 2024, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.



**4 Investments**

	As at March 31, 2025	As at March 31, 2024
(a) Non-current investments		
Unquoted equity shares		
In wholly owned subsidiary (at cost)		
Magnatar Aero Systems Private Limited		
[99,800 (March 31, 2024: 99,800) equity shares of par value Rs. 1 each (31 March 2024 : INR 1 each) fully paid]	0.10	0.10
Gee Pee Aerospace and Defence Private Limited		
[30,835 (March 31, 2024: 30,835) equity shares of par value Rs. 100 each (31 March 2024 : INR 100 each) fully paid]	66.84	66.84
Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited		
[10,000 (March 31, 2024: 10,000) equity shares of par value Rs. 10 each (31 March 2024 : INR 10 each) fully paid]	0.10	0.10
	<u>67.04</u>	<u>67.04</u>
Aggregate amount of unquoted investments - in wholly owned subsidiary	66.94	66.94
Aggregate amount of unquoted investments - in others	0.10	0.10

**5 Financial assets**

(a) Loans (unsecured, considered goods)

	As at March 31, 2025	As at March 31, 2024
Loans to subsidiary (refer note 36)	61.17	61.17
	<u>61.17</u>	<u>61.17</u>

**Disclosure under section 186 (4) of the Companies Act 2013**

Name of party	Purpose of loan	Rate of Interest	Secured/ unsecured	Due date	As at March 31, 2025	As at March 31, 2024
Gee Pee Aerospace and Defence Private Limited	Capex	10% p.a.	Unsecured	Sep 01, 2027	61.17	61.17

(b) **Financial assets - others**

Unsecured, considered good unless stated otherwise

	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	29.77	25.69
Deposit with remaining maturity more than 12 months (refer note 12)	14.54	-
	<u>44.31</u>	<u>25.69</u>
Current		
Deposit with remaining maturity less than 12 months (refer note 12)	3.55	-
Retention money	61.60	82.44
Interest accrued	14.52	8.13
Loans and advances to employees	1.51	2.00
	<u>81.18</u>	<u>92.57</u>

**6 Non current tax assets (net) / current tax liabilities (net)**

	As at March 31, 2025	As at March 31, 2024
Non-current tax asset (net)		
Advance income tax (net)	15.41	51.49
	<u>15.41</u>	<u>51.49</u>

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 related to income tax levied by same tax authority.



**7 Other non-current assets**

	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
Unsecured, considered good		
Prepaid expenses	4.83	9.00
Advance for capital goods	111.84	178.77
Balances recoverable from government authorities	25.53	25.53
	<u>142.20</u>	<u>213.30</u>

**8 Other current assets**

	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
Unsecured, considered good		
Advance to suppliers (Refer note 36)	103.92	69.71
Prepaid expenses	11.97	33.49
Export benefits receivable	5.01	0.74
Balances recoverable from government authorities	255.99	10.22
	<u>376.89</u>	<u>114.16</u>

**9 Inventories (at lower of cost and net realisable value)**

	As at March 31, 2025	As at March 31, 2024
Raw materials	1,660.98	1,762.50
[Includes in transit: Rs. 240.45 (March 31, 2024: Rs. 117.64)]		
Stores and Spares	116.53	100.52
Work-in-progress	1,675.11	1,605.37
	<u>3,452.62</u>	<u>3,468.39</u>

**10 Trade receivables**

	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
Unsecured considered good	2,095.63	1,463.92
Less: allowance for credit losses	1.20	1.20
	<u>2,094.43</u>	<u>1,462.72</u>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

**Movement in expected credit loss**

	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	1.20	-
Provision made during the year, net of reversals	-	1.20
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	<u>1.20</u>	<u>1.20</u>

**Trade receivables ageing schedule**

As at March 31, 2025

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured considered good	1,792.29	216.28	30.01	54.72	1.97	0.36	2,095.63
Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	1,792.29	216.28	30.01	54.72	1.97	0.36	2,095.63
Less: allowance for credit losses							1.20
<b>Total</b>							<b>2,094.43</b>



As at March 31, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured considered good	1,155.58	243.53	52.79	9.17	2.63	0.21	1,463.92
Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,155.58</b>	<b>243.53</b>	<b>52.79</b>	<b>9.17</b>	<b>2.63</b>	<b>0.21</b>	<b>1,463.92</b>
Less: allowance for credit losses							1.20
<b>Total</b>							<b>1,462.72</b>

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

11 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.29	0.25
Balances with banks		
On current accounts	18.43	391.97
	18.72	392.22

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	147.28	114.42
Deposits with remaining maturity of more than twelve months	14.54	-
Less: Amount clubbed under 'non-current financial assets - others' (refer note 5b)	(14.54)	-
Deposits with remaining maturity of less than twelve months	3.55	-
Less: Amount clubbed under 'current financial assets - others' (refer note 5b)	(3.55)	-
	147.28	114.42

\* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 726.65 (March 31, 2024: Rs. 878.72) issued by the bankers on behalf of the Company.

Breakup of financial assets carried at fair value through profit or loss:

	As at March 31, 2025	As at March 31, 2024		
	Carrying value	Fair value	Carrying value	Fair value
Investments in unquoted equity shares (others)	0.10	0.10	0.10	0.10
<b>Total financial assets carried at fair value through profit or loss</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>

Breakup of financial assets carried at amortised cost:

	As at March 31, 2025	As at March 31, 2024		
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	2,094.43	2,094.43	1,462.72	1,462.72
Cash and cash equivalent	18.72	18.72	392.22	392.22
Investments in unquoted equity shares (others)	66.94	66.94	66.94	66.94
Balances at bank other than cash and cash equivalents	147.28	147.28	114.42	114.42
Retention money	61.60	61.60	82.44	82.44
Loan to related parties	61.17	61.17	61.17	61.17
Security deposits	29.77	29.77	25.69	25.69
Deposit with remaining maturity more than 12 months	14.54	14.54	-	-
Deposit with remaining maturity less than 12 months	3.55	3.55	-	-
Interest accrued	14.52	14.52	8.13	8.13
Loans and advances to employees	1.51	1.51	2.00	2.00
<b>Total financial assets carried at amortised cost</b>	<b>2,514.03</b>	<b>2,514.03</b>	<b>2,215.73</b>	<b>2,215.73</b>

The management assessed that cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets 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. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values. The fair values of the financial assets included above have been determined in accordance with generally accepted pricing models.



13. Equity share capital

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	6,60,00,000	660.00	6,60,00,000	660.00
Issued, subscribed and fully paid up shares				
Equity shares of Rs. 10 each	3,07,59,591	307.59	3,07,59,591	307.59

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

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	3,07,59,591	307.59	3,07,59,591	307.59
Issued during the year	-	-	-	-
At the end of the year	3,07,59,591	307.59	3,07,59,591	307.59

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares	%	Number of shares	%
(i) Vamshidhar Reddy Kallem	18,56,087	6.03%	18,56,087	6.03%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) There are no equity shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.  
 (ii) During the year ended March 31, 2020, the Company has bought back 1,454,541 equity shares of Rs. 10 each.

(e) Details of shares held by promoters

As at March 31, 2025

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	18,56,087	-	18,56,087	6.03%	0.00%
P Srinivas Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Mitta Madhavi	12,05,983	2,25,000	14,30,983	4.65%	0.73%
A Manogna	11,86,889	(25,000)	11,61,889	3.78%	-0.08%
Saranya Loka Reddy	9,89,666	(3,90,000)	5,99,666	1.95%	-1.27%
P Kalpana Reddy	9,74,000	(1,00,000)	8,74,000	2.84%	-0.33%
D Anitha Reddy	7,90,431	(7,90,431)	-	0.00%	-2.57%
K Shalini	7,55,483	(3,45,000)	4,10,483	1.33%	-1.12%
Leelavathi Parvatha Reddy	7,21,712	3,00,000	10,21,712	3.32%	0.98%
Usha Reddy Chigrapalli	7,05,445	(7,05,445)	-	0.00%	-2.29%
Kavitha Reddy Gangapatnam	6,02,741	(1,10,000)	4,92,741	1.60%	-0.36%
Praval Reddy Akepati	-	2,50,000	2,50,000	0.81%	0.81%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
<b>Total</b>	<b>1,14,61,968</b>	<b>(16,90,876)</b>	<b>97,71,092</b>	<b>31.77%</b>	<b>-5.50%</b>



As at March 31, 2024

Equity shares of Rs. 10 each fully paid

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
K Vamshidhar Reddy	20,91,559	(2,35,472)	18,56,087	6.03%	-0.77%
P Srinivas Reddy	13,92,903	-	13,92,903	4.53%	0.00%
Mitta Madhavi	7,71,321	4,34,662	12,05,983	3.92%	1.41%
A Manogna	6,43,813	5,43,076	11,86,889	3.86%	1.77%
Saranya Loka Reddy	9,24,666	65,000	9,89,666	3.22%	0.21%
P Kalpana Reddy	10,25,000	(51,000)	9,74,000	3.17%	-0.17%
D Anitha Reddy	12,80,431	(4,90,000)	7,90,431	2.57%	-1.59%
K Shalini	20,91,483	(13,36,000)	7,55,483	2.46%	-4.34%
Leelavathi Parvatha Reddy	16,18,712	(8,97,000)	7,21,712	2.35%	-2.92%
Usha Reddy Chigarapalli	12,05,445	(5,00,000)	7,05,445	2.29%	-1.63%
Kavitha Reddy Gangapatnam	9,95,446	(3,92,705)	6,02,741	1.96%	-1.28%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Northeast Broking Services Limited	35,000	(22,500)	12,500	0.04%	-0.07%
<b>Total</b>	<b>1,43,43,907</b>	<b>(28,81,939)</b>	<b>1,14,61,968</b>	<b>37.26%</b>	<b>-9.37%</b>

14 Other equity

	As at March 31, 2025	As at March 31, 2024
Securities premium		
Balance at the beginning of the year	3,199.56	3,199.56
Balance at the end of the year	3,199.56	3,199.56
Capital redemption reserve		
Balance at the beginning of the year	14.55	14.55
Balance at the end of the year	14.55	14.55
Retained earnings		
Balance at the beginning of the year	3,249.95	2,686.42
Add: Other comprehensive income for the year	(2.99)	0.85
Add: Profit for the year	538.53	562.68
Balance at the end of the year	3,785.49	3,249.95
	6,999.60	6,464.06

Nature and purpose of reserves

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the Company has applied securities premium to write off Company's share of expenses incurred on fresh issue of equity shares.

Capital redemption reserve represents the amount of profits transferred from securities premium for the buy back of equity shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

15. Provisions

	As at March 31, 2025	As at March 31, 2024
Non-current		
Provision for employee benefits		
- Gratuity (refer note 30)	46.56	26.27
	46.56	26.27
Current		
Provision for employee benefits		
- Gratuity (refer note 30)	20.30	17.74
- Compensated absences	17.50	15.43
	37.80	33.17



16. Deferred tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax liability arising on account of timing differences relating to:</b>		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	259.43	231.34
	<u>259.43</u>	<u>231.34</u>
<b>Deferred tax asset arising on account of timing differences relating to:</b>		
Expenses allowed on payment basis	39.48	24.78
	<u>39.48</u>	<u>24.78</u>
<b>Deferred tax liability (net)</b>	<b>219.95</b>	<b>206.56</b>

The Company offsets deferred 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 taxation authority.

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
<b>For the year ended March 31, 2025:</b>				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	231.34	28.09	-	259.43
Expenses allowed on payment basis	(24.78)	(13.69)	(1.01)	(39.48)
	<u>206.56</u>	<u>14.40</u>	<u>(1.01)</u>	<u>219.95</u>
<b>For the year ended March 31, 2024:</b>				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	187.87	43.47	-	231.34
Expenses allowed on payment basis	(7.77)	(17.30)	0.29	(24.78)
	<u>180.10</u>	<u>26.17</u>	<u>0.29</u>	<u>206.56</u>

17. Borrowings

	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
Secured bank borrowings		
Long-term borrowings	1,270.14	1,424.70
Less: Current maturity of long-term borrowings disclosed under "short-term borrowings"	(459.81)	(454.81)
	<u>810.33</u>	<u>969.89</u>
<b>Current</b>		
Secured bank borrowings		
Cash credit	502.30	477.58
Current maturity of long-term borrowings	459.81	454.81
	<u>962.11</u>	<u>932.39</u>
Aggregate secured borrowings	1,772.44	1,902.28
Aggregate unsecured borrowings		

1. The long-term borrowings including current maturities of Rs. 1,270.14 (March 31, 2024: Rs. 1,424.70) from banks is secured by collateral security against inventories, trade receivables and all other charges on current assets of the present and future current assets of the Company. The Company has not fully drawn the loan facility as at March 31, 2025.

(i) State Bank of India

- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

(ii) HDFC Bank Limited

- Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.



(iii) EXIM Bank  
 - Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.  
 (iv) Union Bank  
 - Exclusive charge on the entire property, plant and equipment purchased out of the loan facility.

Particulars	Outstanding balance as at		Interest range % per annum	Balance number of installments as at		Frequency of installments	Repayments commencing from - to
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024		
HDFC Bank Limited	273.86	446.82	9.65 to 9.85	18	30	Monthly	April 01, 2022 to October 31, 2026
EXIM Bank - 1	229.50	331.69	9.00 to 9.10	9	13	Quarterly	September 01, 2023 to August 31, 2027
State Bank of India - 1	-	52.58	9.40 to 9.55	0	8	Quarterly	March 31, 2021 to March 31, 2026
State Bank of India - 2	290.94	373.71	8.95 to 9.35	16	20	Quarterly	March 31, 2025 to March 31, 2029
EXIM Bank - 2	210.35	59.90	9.25	16	16	Quarterly	March 01, 2025 to December 01, 2028
Union Bank	124.44	160.00	9.35 to 9.45	15	18	Quarterly	March 31, 2025 to September 30, 2028
EXIM Bank - 3	141.05	-	8.25	16	-	Quarterly	January 01, 2026 to October 01, 2029

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 502.30 (March 31, 2024: Rs. 477.58) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Company. Further the borrowing is secured by collateral security on the certain land and building of the Company.

The cash credit facility is repayable on demand and carries interest @ 7.22% to 9.57% p.a. (March 31, 2024: 5.95% to 9.50% p.a.).

#### 17A Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Payable for capital goods	88.39	69.50
Supplier credit *	163.36	-
Accrued Wages and Salaries	121.42	87.80
	<u>373.17</u>	<u>157.30</u>

\* Supplier credit availed at an interest rate ranging from 8% to 9%.

#### 18. Trade payable

	As at March 31, 2025	As at March 31, 2024
- dues of micro and small enterprises	114.74	3.03
- dues of creditors other than micro and small enterprises (MSME)	936.67	610.75
	<u>1,051.41</u>	<u>613.78</u>

#### Trade payables ageing schedule

As at March 31, 2025

	Outstanding for following periods from due date of payment				
Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of MSME	-	114.74	-	-	114.74
Total outstanding dues of creditors other than MSME	300.56	617.01	8.57	10.53	936.67
Disputed dues of MSME	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-
	<u>300.56</u>	<u>731.75</u>	<u>8.57</u>	<u>10.53</u>	<u>1,051.41</u>

As at March 31, 2024

	Outstanding for following periods from due date of payment				
Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of MSME	-	3.03	-	-	3.03
Total outstanding dues of creditors other than MSME	161.94	431.91	15.92	0.65	610.75
Disputed dues of MSME	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-
	<u>161.94</u>	<u>434.94</u>	<u>15.92</u>	<u>0.65</u>	<u>613.78</u>

Trade payables are non-interest bearing and are normally settled on 60-day terms, including those trade payables that are included in the Company's supplier finance arrangement.

For explanations on the Company's credit risk management processes, refer to Note 34.



Disclosure pertaining to Micro, Small And Medium Enterprises Act (as per information available with the Company)

	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	114.74	3.03
Interest due thereon	-	-
	<u>114.74</u>	<u>3.03</u>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2025	As at March 31, 2024		
	Carrying value	Fair value	Carrying value	Fair value
Borrowings - long-term including current maturities	1,270.14	1,270.14	1,424.70	1,424.70
Borrowings - short-term	502.30	502.30	477.58	477.58
Payable for capital goods	88.39	88.39	69.50	69.50
Supplier credit	163.36	163.36	-	-
Accrued Wages and Salaries	121.42	121.42	87.80	87.80
Trade payables	1,051.41	1,051.41	613.78	613.78
	<u>3,197.02</u>	<u>3,197.02</u>	<u>2,673.36</u>	<u>2,673.36</u>

The management assessed that trade payables, short-term borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial liabilities included above is 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.

19. Other liabilities

	As at March 31, 2025	As at March 31, 2024
Non Current		
Statutory dues	31.78	30.43
	<u>31.78</u>	<u>30.43</u>
Current		
Statutory dues	11.13	13.46
Contract liability - advance from customers (refer note 20)	430.42	305.17
	<u>441.55</u>	<u>318.63</u>



20. Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(A) Revenue from contracts with customers</b>		
Sale of products	6,646.46	5,725.19
	<hr/>	<hr/>
<b>(B) Other operating revenue</b>		
- Sale of scrap and others	113.11	75.14
	<hr/>	<hr/>
<b>Total (A+B)</b>	6,759.57	5,800.33
	<hr/>	<hr/>

(i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,328.80	1,606.29
Outside India	5,317.66	4,118.90
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Goods transferred at a point of time	6,646.46	5,725.19
<b>Total</b>	<hr/>	<hr/>

(ii) Contract balances

	As at March 31, 2025	As at March 31, 2024
Trade receivable	2,094.43	1,462.72
Retention money	61.60	82.44
Contract liabilities	430.42	305.17
Advance from customers		

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Trade receivables and retention money are non-interest bearing. Refer note 10 for details on expected credit loss.

Unbilled revenue are initially recognised for revenue earned from transfer of goods and services but not billed to customer because the work completed has to meet requirements of various milestones as set out in the contract with customers. Upon fulfilling the milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables.

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss. There is no significant revenue recognised in the current year from performance obligations satisfied in previous years.

Amounts included in contract liabilities at the beginning of the period recognised as revenue in the current period of Rs. 65.16 (March 31, 2024: Rs. 220.03). Generally the advance from customers are settled over a period of 1 to 3 years.

21. Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income on bank deposits and others	16.20	14.30
Interest income on Income Tax Refund	1.80	2.57
Other non operating income:		
Foreign exchange gain (net)	25.72	20.24
Profit on sale of Assets	12.85	2.43
Profit from sale of mutual funds	0.42	23.64
Miscellaneous income	0.37	0.45
	<hr/>	<hr/>
<b>Total</b>	57.36	63.63



22. Cost of materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	1,863.02	2,418.06
Add: Purchases	3,399.54	2,618.62
Less: Inventory at the end of the year	(1,777.51)	(1,863.02)
	3,485.05	3,173.66

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	1,605.37	1,441.61
Less: Inventory at the end of the year	(1,675.11)	(1,605.37)
	(69.74)	(163.76)

24. Employee benefits expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,127.67	872.18
Contribution to provident and other funds [refer note 30 (II)]	45.79	36.17
Gratuity expense [refer note 30 (I)]	19.26	16.31
Staff welfare expenses	28.94	26.86
	1,221.66	951.52

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2024. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

25. Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses		
- Short term borrowings	53.18	81.84
- Long term borrowings	119.63	105.19
Bank charges	48.79	34.68
	221.60	221.71

26. Depreciation and amortisation expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	310.08	220.99
Amortisation on intangible assets	7.66	5.43
	317.74	226.42



27. Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sub-contractor charges	295.83	200.90
Production expenses	167.03	127.73
Power and fuel	162.83	142.12
Repairs and maintenance		
- Buildings	35.39	31.12
- Plant and machinery	53.85	27.50
- Others	13.70	8.18
Insurance	14.32	14.88
Rates and taxes	14.33	12.86
Travelling and conveyance	20.20	19.21
Freight and forwarding	19.97	10.19
Provision for expected credit loss for trade receivables	-	1.20
Legal and professional charges	35.00	37.84
Security charges	16.64	15.48
Payment to auditors (refer below)	6.54	5.69
Loss on sale of property plant and equipment	-	-
CSR expenses (refer note 31)	20.00	20.66
Miscellaneous expenses	40.41	46.63
	<b>916.04</b>	<b>722.19</b>

Payment to auditors

	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	6.30	5.50
Out of pocket expenses	0.24	0.19
	<b>6.54</b>	<b>5.69</b>

28. Tax expense

a) Income tax expense:  
 The major components of income tax expense  
 (i) Profit or loss section

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Current tax	175.87	157.66
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	14.40	26.17
Actual tax expense accounted in books	190.27	183.83
C. Adjustment of tax relating to earlier periods	(4.22)	(14.29)
Income tax expense recognised in the statement of profit and loss	<b>186.05</b>	<b>169.54</b>

(ii) OCI section

	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax expense to OCI	(1.01)	0.29



b) Reconciliation of effective tax rate:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax (A)	724.58	732.22
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	182.36	184.29
Tax effect of:		
Adjustments for taxes with respect of earlier period	(4.22)	(14.29)
Expenses disallowed under Income Tax Act, 1961	5.03	5.33
Others	2.12	(5.79)
<b>Total (D)</b>	<b>2.93</b>	<b>(14.75)</b>
Expected tax expenses (C+D)	185.29	169.54
Income tax expenses	186.05	169.54
Effective tax rate	25.68%	23.15%

29. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to equity share holders	538.53	562.68
Weighted average number of equity shares in calculating basic and diluted EPS	3,07,59,591	3,07,59,591
Face value of each equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share* 538.53/30.76 (March 31, 2024: 545.81/30.76)	17.51	18.29

\* There are no items that trigger the calculation of diluted earnings per share, hence reconciliation is not required.

30. Employee Benefit Obligations

*I. Defined benefits plan*

The Employees' Gratuity Fund Scheme managed by a trust is a defined benefit gratuity plan which is administered through gratuity scheme with Life Insurance Corporation of India. Every employee who has completed five years or more of service gets gratuity, on retirement / termination, at 15 days last drawn salary for each completed year of service subject to a maximum of Rs. 2.00. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

A) Net employee benefit expense (recognised in employee benefits expense)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	16.09	14.14
Interest cost on defined benefit obligation	14.82	14.49
Interest (income) on plan assets	(11.65)	(12.32)
<b>Net employee benefit expenses</b>	<b>19.26</b>	<b>16.31</b>

B) Amount recognised in the statement of other comprehensive income (OCI)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurements - due to experience adjustments	(1.64)	(7.02)
Return on plan assets	1.00	1.66
Remeasurements - due to financial assumptions	4.64	4.22
<b>4.00</b>	<b>(1.14)</b>	

C) Amount recognised in the balance sheet

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	230.85	213.07
Fair value of plan assets	163.99	169.06
<b>Net defined benefit liability</b>	<b>66.86</b>	<b>44.01</b>



D) Changes in the present value of the defined benefit obligation

	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	213.07	198.03
Interest cost	14.82	14.49
Current service cost	16.09	14.14
Net actuarial (losses) / gains on obligations recognised under OCI	3.01	(2.80)
Benefit payments from plan assets	(16.14)	(10.79)
<b>Closing defined benefit obligation</b>	<b>230.85</b>	<b>213.07</b>

**E) Changes in the fair value of plan assets**

	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	169.06	169.19
Interest income	11.65	12.32
Remeasurements - return on assets	(1.00)	(1.66)
Contributions by employer	0.42	-
Benefit payments from plan assets	(16.14)	(10.79)
<b>Closing fair value of plan assets</b>	<b>163.99</b>	<b>169.06</b>

Expected contribution to the gratuity fund during the next year would be Rs. 44.01 (March 31, 2024: Rs. 44.01)

#### Investment details of plan assets

### Investment with insurer - Assets under Schemes of Insurance

100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.94%	7.23%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	5.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

(ii) Disclosure related to indication of effect of the defined benefit plan on the Company's future cash flow.

	As at March 31, 2025	As at March 31, 2024
1 year	20.59	17.97
2-5 years	105.62	101.32
6-10 years	96.26	94.43
The weighted average term to maturity is 5.1 years.		

The weighted average duration of the defined benefit obligation is 8.00 years (March 31, 2024: 8.00 years)

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2025	As at March 31, 2024
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(15.30)	(13.90)
- 1% decrease	17.47	15.83
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	18.42	16.78
- 1% decrease	(16.46)	(15.01)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.25)	0.05
- 1% decrease	0.26	(0.07)

## II. Defined contribution plans

The Company made provident fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 45.79 (March 31, 2024: Rs. 36.17) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



31. Detail of CSR expenditure

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year	20.00	20.66
(b) Amount approved by the Board to be spent during the year	20.00	20.66
(c) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset		
ii) On purposes other than (i) above	20.00	20.66
(d) Details related to spent / unspent obligations		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

(e) Details of ongoing project and other than ongoing project

	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent A/c		With Company	In separate CSR unspent A/c	With Company	In separate CSR unspent A/c
March 31, 2025							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.00	20.00	-	-	-
March 31, 2024							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-

32. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 121.20 (March 31, 2024: Rs. 466.62).

b. Contingent liabilities

Claims against the Company not acknowledged as debts is amounting to Rs. 22.67 for March 31, 2025 (March 31, 2024: Rs. 22.67).

Corporate guarantee of Rs. 195 (March 31, 2024: 195) has been extended during the previous year to wholly owned subsidiary (Gee Pee Aerospace & Defense Private Limited) for availing loan from the bank to meet the working capital requirements.

Disclosure under section 186 (4) of the Companies Act 2013

Name of party	Purpose of loan	Secured / unsecured	Maximum amount outstanding during the year	As at March 31, 2025	As at March 31, 2024
Gee Pee Aerospace and Defence Private Limited	Capex	Unsecured	195.00	19.50	19.50

33. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant areas involving a high degree of judgement or complexity.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Rate of increase in compensation are based on expected future inflation. Further details about gratuity obligations are given in note 30.

ii. Depreciation of property, plant and equipment and amortization of Intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values as estimated by the management. The management believes that depreciation and amortization rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets.



**34. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets, cash and cash equivalent and balance at bank other than cash and cash equivalent. The Company is exposed to credit risk, market risk and liquidity risk. The Company has a risk management policy and its management is supported by a risk management committee that advises on risk and appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

**A. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalent, balance at bank other than cash and cash equivalent and other financial assets. The Company deals with parties which has good credit rating /worthiness given by external rating agencies or based on Company's internal assessment. The major customers are usually the Government parties and export customers with high credit worthiness.

**Exposure to credit risk**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was (i) Rs. 2,156.03 (March 31, 2024: Rs. 1,545.16) being the total of the carrying amount of balances with trade receivables (including retention money) (ii) cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent and interest accrued of Rs. 180.52 (March 31, 2024: Rs. 514.77) and (iii) other financial assets of Rs. 49.37 (March 31, 2024: Rs. 27.69).

The measurement of impaired credit for carrying amount of the above financial assets is ascertained using the expected credit loss model (ECL) approach. Credit risk is managed through continuously monitoring the creditworthiness of customers. The Company is considerate of the fact the majority of the collection is receivable from export customers with high credit worthiness or the government companies where there are no significant risk of bad debts. The customers of the Company have a defined period for payment of receivables, hence the Company evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is Rs. 1,590.33 for March 31, 2025 (March 31, 2024: Rs. 1,008.67).

The cash and cash equivalent (excluding cash on hand), balance at bank other than cash and cash equivalent and interest accrued of Rs. 180.52 (March 31, 2024: Rs. 514.77) are held with banks having good credit rating.

**B. Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

	Within 1 year	1 to 5 years	After 5 years	Total
March 31, 2025				
Borrowings	962.11	810.33	-	1,772.44
Trade payables	1,051.41	-	-	1,051.41
Other financial liability	373.17	-	-	373.17
	<b>2,386.69</b>	<b>810.33</b>	<b>-</b>	<b>3,197.02</b>
March 31, 2024				
Borrowings	932.39	969.89	-	1,902.28
Trade payables	613.78	-	-	613.78
Other financial liability	157.30	-	-	157.30
	<b>1,703.47</b>	<b>969.89</b>	<b>-</b>	<b>2,673.36</b>

The cash credit facility amounting to Rs. 502.30 (March 31, 2024: Rs. 477.58), repayable on demand, has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Company.

**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 two types of risk: interest rate risk and foreign currency risk. The sensitivity analysis has been included in the below disclosures.



## Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss. The risks primarily relate to fluctuations in US Dollar (USD) as against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

## a. The year end unhedged foreign currency exposures is as under:

Particulars	Currency	Amount in foreign currency	Exchange rate	Amount in Rs in millions
<b>Trade receivables</b>				
March 31, 2025	USD	19.57	85.58	1,674.63
March 31, 2025	EUR	0.10	92.32	8.86
March 31, 2024	USD	10.88	83.37	907.29
<b>Cash and cash equivalents</b>				
March 31, 2025	USD	0.01	85.58	0.77
March 31, 2025	EUR	0.00	92.32	0.11
March 31, 2024	USD	4.53	83.37	377.30
<b>Trade payables</b>				
March 31, 2025	USD	8.79	85.58	752.15
March 31, 2025	GBP	0.13	110.74	13.87
March 31, 2025	EUR	0.00	92.32	0.01
March 31, 2024	USD	4.66	83.37	388.33
March 31, 2024	GBP	0.22	105.29	23.61
March 31, 2024	EURO	0.00	92.41	0.05
March 31, 2024	CHF	0.02	90.22	1.50

## b. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase / (decrease)	
March 31, 2025	1%	1%	9.18	(9.18)
March 31, 2024	1%	1%	8.71	(8.71)

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because certain funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points (1%) higher / lower and all other variables were held constant, the Company's profit before tax for the year end ended March 31, 2025 would decrease / increase by Rs. 17.72 (March 31, 2024: Rs. 19.02).

## 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio to an acceptable level. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents excluding balance with monitoring agency account.

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 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 borrowing in the current year. The Group has established a supplier finance arrangement to manage its working capital.

	As at March 31, 2025	As at March 31, 2024
Borrowings including supplier credit	1,772.44	1,902.28
Less: Cash and cash equivalents	(18.72)	(392.22)
Net debt (A)	1,753.72	1,510.06
Equity (B)	7,307.19	6,771.65
Equity and net debt (C) = (A) + (B)	9,060.91	8,281.71
Gearing ratio (A) / (C)	19.35%	18.23%



**36. Related party disclosures**

Names of related parties and description of relationship

(a) Subsidiary company

Magnatar Aero Systems Private Limited  
Gee Pee Aerospace & Defence Private Limited

(b) Key managerial personnel

Parvat Srinivas Reddy, Managing Director  
A. Praveen Kumar Reddy, Director  
M. Anushman Reddy, Director  
Gunneshwara Rao Pusarla, Chief financial officer  
Shubham Sunil Bagadia, Company secretary (upto May 31, 2024)  
Naina Singh, Company secretary (w.e.f June 01, 2024)

(c) Relatives of key management personnel

A. Pranay Kumar Reddy  
A. Praval Kumar Reddy  
K. Shalini

(d) Independent/Non-Executive Directors

Subbu Venkata Rama Behara  
A. Krishna Kumar  
Ameeta Chatterjee  
U C Muktidoh  
V.G. Sekaran  
Venkatasatishkumar Reddy Gangapatnam, Director (upto December 13, 2024)  
Rohith Loka Reddy (w.e.f February 10, 2025)

**Transactions and balances with related parties**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Transactions with related parties</b>		
<b>Remuneration*</b>		
M. Anushman Reddy	18.97	9.94
Parvat Srinivas Reddy	40.02	30.02
A. Praveen Kumar Reddy	12.77	7.53
A. Pranay Kumar Reddy	0.85	0.86
A. Praval Kumar Reddy	0.75	-
Shubham Sunil Bagadia	0.16	0.92
Naina Singh	0.82	-
Gunneshwara Rao Pusarla	20.77	13.18
<b>Sitting fees</b>		
Venkatasatishkumar Reddy Gangapatnam	0.37	0.46
B V R Subbu	2.09	2.21
A. Krishna Kumar	2.04	2.26
Ameeta Chatterjee	1.99	2.21
U C Muktidoh	1.74	1.96
V.G. Sekaran	1.79	2.01
Rohith Loka Reddy	0.09	-
<b>Rent expense</b>		
K. Shalini	0.76	0.73
<b>Reimbursable expenditure incurred</b>		
Magnatar Aero Systems Private Limited	0.04	0.08
<b>Purchase Transaction- Job work</b>		
Gee Pee Aerospace and Defence Private Limited	32.04	43.69
<b>Interest Income</b>		
Gee Pee Aerospace and Defence Private Limited	6.12	5.54
<b>Commission Income</b>		
Gee Pee Aerospace and Defence Private Limited	0.01	0.01
<b>Loan given during the year</b>		
Gee Pee Aerospace and Defence Private Limited	-	19.50



Particulars	As at March 31, 2025	As at March 31, 2024
<b>Balances receivable</b>		
Magnatar Aero Systems Private Limited (reimbursable advance)	0.41	0.35
Gee Pee Aerospace and Defence Private Limited (trade advance)	4.66	4.20
Gee Pee Aerospace and Defence Private Limited (interest accrued)	12.65	7.15
<b>Long term loan</b>		
Gee Pee Aerospace and Defence Private Limited	61.17	61.17

\*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the individuals is not ascertainable, therefore not included above.

**37. Fair values**

There are no significant financial assets and liabilities measured at fair value through profit or loss except for Investment in units of mutual fund [refer note 4(c)] which has been valued using Level 1 valuation method as described in note 2.2(i).

The fair value of the financial assets and liabilities measured at amortised cost approximates their carrying amounts as at the balance sheet date. (refer breakup of financial assets carried at fair value through profit or loss and breakup of financial assets and financial liabilities carried at amortised cost).

**38. Segment reporting**

The Managing director / chief executive officer 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 heavy equipment, components, machines 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 financial statements. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of the assets.

**(a) Revenue from contracts with customers**

	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,328.80	1,606.29
Outside India	5,317.66	4,118.90
<b>Total</b>	<b>6,646.46</b>	<b>5,725.19</b>

(b) The Company has entire non-current assets within India. Hence, separate figures have not been furnished.

(c) Customer contributing more than 10% of revenue

	No of customers	Amount
For the year ended March 31, 2025	1	4,836.99
For the year ended March 31, 2024	1	4,076.04



## 39 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for variance (above 25%)
(i) Current ratio	6,171	2,866	2.15	2.75	-22%	
(ii) Debt- equity ratio	1,772	7,307	0.24	0.28	-14%	
(iii) Debt service coverage ratio	1,029	446	2.31	3.23	-29%	The decrease is due to increase in long term loan repayments during the year.
(iv) Return on equity ratio	539	7,039	8%	9%	-12%	
(v) Inventory turnover ratio	3,415	3,461	0.99	0.82	20%	
(vi) Trade receivable turnover ratio	6,760	1,779	3.80	3.27	16%	
(vii) Trade payable turnover ratio	3,400	833	4.08	1.87	118%	The increase is due to decrease in average of trade payables.
(viii) Net capital turnover ratio	6,760	3,305	2.05	1.60	28%	The increase due to increase in revenue from operations during the year.
(ix) Net profit ratio	539	6,760	7.97%	9.70%	-18%	
(x) Return on capital employed	897	8,880	10.11%	10.36%	-2%	
(xi) Return on investment	0	6	7.06%	17.21%	-59%	The decrease is due to decrease in profit from sale of mutual funds in current year.

## Basis for calculating above ratios as below

Current ratio = Current assets/Current Liabilities

Debt equity ratio = [Total debt=Borrowings (current + Non current)] / [Shareholders funds= (Equity share capital + Other equity)]

Debt service coverage ratio = (Net profit after tax + Depreciation and amortisation + Interest expense)/(Long term loans repayment+ Short term loans repayment)

Return on equity ratio= Net profit after taxes/ Average share holders funds

Inventory turnover ratio= Cost of goods sold/ Average inventory

Trade receivable turnover ratio= Revenue from operations/ Average trade receivable

Trade payable turnover ratio= Net credit purchases/ Average trade payables

Net capital turnover ratio= Revenue from operations/( Current assets- Current liabilities)

Net profit ratio= Net profit after tax/ Revenue from operations

Return on capital employed= Earning before interest and taxes/ (Share holders funds+Borrowings (Current + Non current) + Deferred tax liabilities)

Return on investment= Gain on investment/ Average investment



40. Other statutory information

- i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii) The title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company does not have any transactions with the companies struck off.
- v) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- vi) During the current year, the borrowed funds were utilised for the purpose which they were obtained and as per the terms specified in the sanction letter.
- vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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)
- viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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).
- ix) The Company has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- x) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- xi) The Company has not 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).
- 41 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

42 Subsequent event

No significant subsequent events have been observed till May 22, 2025 which may require any additional disclosure or an adjustment to the standalone financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered accountants  
ICAI Firm registration number: 101049W / E300004

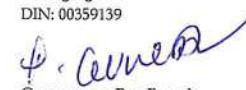
  
per Atin Bhargava  
Partner  
Membership no: 504777

Place: Hyderabad  
Date: May 22, 2025



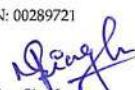
For and on behalf of the Board of Directors of  
MTAR Technologies Limited

  
Parvat Srinivas Reddy  
Managing Director  
DIN: 00359139

  
Gunneswara Rao Pusarla  
Chief Financial Officer

Place: Hyderabad  
Date: May 22, 2025

  
Subbu Venkata Rama Behara  
Director  
DIN: 00289721

  
Naina Singh  
Company Secretary  
Membership no: A68201

