Towards New Horizons

MTAR Technologies Limited
Annual Report FY 2025 - 26

Forward-looking statement

In this annual report we are presenting some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral- that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Online Annual Report

www.mtar.in

Towards New Horizons

For more than five decades, MTAR has contributed to nation-building by developing critical products across strategic sectors. From supplying core of nuclear island assemblies for India's civil nuclear reactors and propulsion systems for the space programme to developing actuator assemblies for LCA Tejas, the Company has consistently built capabilities for complex and mission-critical applications in Civil Nuclear, Aerospace & Defence sectors, often at a time when these sectors were in a nascent phase in India.

This legacy of building capabilities ahead of broader market adoption has also shaped our expansion into new areas. Recognising the growing need for clean technologies, we diversified into Solid Oxide Fuel Cells nearly fifteen years ago, building competencies that have today evolved into a scalable Clean Energy business. We are now leveraging the established capabilities to pursue emerging opportunities such as data centre infrastructure solutions.

In Aerospace & Defence, we are focused on increasing our market share by expanding our presence in structural assemblies, actuation systems and engine sub-assemblies across domestic programmes and global aerospace customers. In addition, the company is also focused on developing critical products for Oil & Gas.

As our current products achieve greater scale, we are augmenting capacities across sectors, expanding our product porfolio and moving further up the value chain. Backed by more than five decades of engineering heritage, we are taking these capabilities towards new horizons, creating new avenues for growth and enduring stakeholder value.

Managing Director's Overview

Our strategy since our inception has consistently been centred on developing technology-intensive, differentiated products in sectors with high entry barriers. Over the decades, we have built specialised capabilities, long-standing customer relationships and a differentiated product portfolio by identifying and investing in technology-intensive sectors of strategic importance well ahead of broader market adoption that translated into scalable revenues

Dear Stakeholders,

I am pleased to share that FY26 was another phenomenal year for the Company, as we achieved our highest-ever revenue, in line with our growth trajectory and the guidance provided to our shareholders. We recorded total revenue of Rs. 8761.08 Mn, representing a growth of 29.61% year-on-year, with EBITDA of 1710.55 Mn and PAT of Rs. 953.24 Mn. The year under review marks an important milestone in our journey and more importantly, strengthens our confidence in sustaining this growth momentum. The sectors in which we operate are supported by strong structural drivers, providing us with significant opportunities for sustainable growth in the years ahead.

Our strategy since our inception has consistently been centred on developing technology-intensive, differentiated products in sectors with high entry barriers. Accordingly, we have built specialised capabilities, long-standing customer relationships and a differentiated product portfolio by identifying and investing in technology-intensive sectors of strategic importance well ahead of broader market adoption. Today, exports account for a majority of our revenues, reflecting a vision we articulated as early as 2010 to build a globally competitive precision engineering business anchored differentiated and high-quality products. The manner in which these strategic choices have translated into tangible outcomes through consistent execution reinforces our conviction in the strength of our strategy.

What gives me even greater confidence is the direction in which the Company is heading reflected in the products we have built, the financial performance we have achieved and the opportunities ahead of us. Today, more than 25% of our revenues are generated from new products developed over the past three to four years across diverse sectors. In addition, this progress is not limited to the products we have developed, but extends to the specialised capabilities and infrastructure we have built around them, be it our dedicated Aerospace facility, Nadcap-approved special processes facility or advanced sheet-metal capabilities. These investments demonstrate our ability to continuously explore new areas, build differentiated capabilities and translate them into scalable revenue streams.

As our key sectors hold long-term growth potential, the strength and diversity of our product portfolio are creating multiple avenues for sustained, long-term growth. We believe we are well positioned to capitalise on these opportunities by leveraging our engineering capabilities, customer relationships and manufacturing ecosystem to deepen our participation in domestic and global supply chains.

Against this backdrop, I would like to share my perspective on the industry landscape across our key sectors and how we are positioned to participate in the opportunities ahead.

Business Outlook

Civil Nuclear Power

India's civil nuclear power sector is entering an important phase of expansion, with the Government articulating an ambition to achieve 100 GWe of nuclear power capacity by 2047, long-term opportunity for the industry. Four reactor tenders for construction of 700 MWe reactors at Mahibanswara is expected in F27.

I am also pleased to highlight our notable contribution to the Prototype Fast Breeder Reactor (PFBR), which recently achieved criticality that is a strategically significant milestone for India's civil nuclear energy programme. The Company has played a pivotal role in this prestigious national programme, having supplied a majority of the critical assemblies for the core of the civil nuclear reactor, reflecting the depth of the engineering and manufacturing capabilities we have built over decades

We believe those capabilities, backed by long-term foresight and sustained investments, are now translating into meaningful opportunities. During the year, we received our highest-ever order inflow in the Civil Nuclear segment, including orders for the Kaiga 5 & 6 reactors. We also expect approximately Rs.1500 Mn from the refurbishment of existing nuclear reactors in FY 27. With new capacity additions, refurbishment opportunities and increasing momentum in India's nuclear energy programme, we believe the sector provides a strong platform for sustained growth over the coming years.

Clean Energy - Fuel cells

Clean Energy - Fuel cells continues to demonstrate strong momentum. The industry is witnessing a rapid growth due to expansion of AI powered data centres. Globally there appears to be strong pipeline of data centres that is going to fuel this vertical further.

The company has a robust closing order book with a strong visibility for growth going forward.

Further, capacity augmentation plan for Fuel Cells, being implemented in three phases, remains on track. Phase 2 of the expansion will be undertaken within our new Oil & Gas facility by Nov 2026, while Phase 3, which is a multi-fold expansion, will be housed in a new dedicated facility, with the overall expansion expected to be completed by March 2027. The new facility being developed for fuel cells is designed to support multiple products under one roof, providing us with greater scale and operational efficiency. An important point to highlight here is that our expansion is not limited to adding physical capacity but we have also initiated manpower training and are working on automation initiatives well ahead of the capacity coming on stream, ensuring that we are operationally prepared to support the expected ramp-up in volumes.

Clean Energy - Data centre Infrastructure solutions

The Company also continues to focus on diversifying its portfolio in Clean Energy by identifying opportunities that can emerge as meaningful long-term growth drivers. Accordingly, we have entered the data centre infrastructure solutions segment, where we see significant growth potential, supported by the rapid expansion of global data centre capacity and increasing infrastructure requirements driven by AI and high-performance computing.

The first articles for the initial set of data centre infrastructure products are currently in progress. Upon successful completion of the qualification process, we expect a meaningful ramp-up over the next two years. We are currently working on the first set, against a potential requirement of up to 8 sets, providing opportunity for a substantial scale up of this vertical. To support this opportunity, we are also setting up a dedicated facility for data centre infrastructure solutions.

Aerospace & Defence

The Government of India continues to place strong emphasis on transforming India from one of the world's largest defence markets into a globally competitive Aerospace & Defence hub, supported by sustained investments in strategic infrastructure, indigenous manufacturing capabilities and advanced technologies. Reflecting this progress, India's defence exports reached an all-time high of Rs.384 Bn in FY 2025-26, registering a growth of 62.66% over the previous year. This growing global acceptance of Indian defence products, together with the continued push towards indigenisation, provides a strong foundation for the next phase of growth in the sector.

Against this favourable industry backdrop, the Company continues to witness strong growth momentum in Aerospace & Defence, with significant order inflows expected as multiple programmes and customer engagements progress towards higher volumes. In the domestic defence segment, we look forward to volume orders for actuator assemblies for the LCA Tejas Mk1A, along with orders for wing kit assemblies and Electro-Mechanical Actuators across various defence programmes, representing a significant order inflows going forward. We also expect the domestic Space vertical to maintain a steady growth trajectory as programme execution gathers momentum. In MNC Aerospace, we are witnessing significant demand from existing customers for products that have already been qualified, along-side progress across multiple first-article programmes. To support the anticipated ramp-up in volumes, we are establishing multiple sub-units within our existing dedicated Aerospace facility, enabling us to scale execution in line with evolving customer requirements

A key differentiator for us has been the speed and agility with which we establish customer-specific manufacturing capabilities. Our dedicated Aerospace facility and Nadcap-approved special processes facility demonstrate our ability to translate customer requirements into specialised manufacturing infrastructure within compressed timelines. This execution capability has been well recognised by our customers and continues to reinforce their confidence in our ability to support their growing requirements as programmes scale.

As our first articles transition towards higher volumes, supported by increasing demand from existing customers and multi-year visibility across key programmes, we believe Aerospace & Defence is well positioned to emerge as a significant growth driver for the Company over the coming years.

While the Company continues to pursue multiple new enquiries to support the next phase of growth, our immediate focus remains on completing the first-article qualification of existing products and successfully ramping up volumes. As the current programmes progress towards volume production, we will also look to broaden our customer base and add new products to our portfolio.

We expect to double our revenues in the Aerospace & Defence segment during the current fiscal year, with a significant ramp-up from this base anticipated over the next three to four years. Notably, this growth outlook is largely underpinned by our existing programmes and product portfolio, providing us with strong visibility, while new enquiries currently under discussion, along with the addition of new products and customers, offer further upside potential.

The global Oil & Gas industry continues to demonstrate remarkable resilience amid the evolving energy landscape and the transition towards alternative energy sources. This, coupled with prevailing geopolitical uncertainties and an increasing emphasis on diversified and secure supply chains, is reshaping global sourcing strategies. Leading global MNCs are increasingly looking to diversify their sourcing and manufacturing footprint beyond traditional geographies such as Europe and China, creating significant opportunities for India to emerge as a key global manufacturing hub.

Importantly, India is no longer viewed merely as a cost-competitive manufacturing destination. It is increasingly emerging as a preferred manufacturing partner for global companies, driven by its ability to offer scalability, world-class quality standards and reliable execution. We believe this shift provides a significant opportunity for Indian companies with established engineering and manufacturing capabilities to deepen their participation in global supply chains.

Our dedicated Oil & Gas facility is expected to become operational by October, positioning us to support the anticipated scale-up in customer requirements. We have already delivered first articles for Weatherford, while first-article development for Class A components for SLB is currently in progress.

The company is also working on enquiries from new customers. As these products progress through qualification and towards higher volumes, we believe the Oil & Gas vertical has the potential to become another meaningful contributor to the Company's growth.

Strategic Priorities

As we pursue our near-term growth objectives while building the foundations for sustained long-term growth, our strategic priorities remain clear and focused.

Accelerate Topline Growth

Increase wallet share with existing customers by expanding our product portfolio and deepening our participation across various programmes.

Expand our customer base across Clean Energy, Aerospace & Defence and other strategic sectors to unlock new avenues for growth.

Expand Capacity & Capabilities

- Execute strategic greenfield and brownfield expansions to support growing demand and anticipated volume ramp-ups across our key sectors.
- Strengthen our engineering and manufacturing capabilities to address higher-value products, enhance our product portfolio and move further up the value chain.

Drive Operational Excellence

- Improve productivity and execution efficiency through process optimisation, automation and digitalisation initiatives.
- Enhance asset utilisation and operating efficiency across our manufacturing facilities to improve profitability as volumes ramp up.

Maintain Capital Discipline

- Pursue prudent capital allocation, prioritising opportunities with strong growth potential and attractive risk-adjusted returns.
- Enhance Return on Capital Employed (ROCE) through disciplined capital deployment, improved productivity and higher asset utilisation.

Strengthen Cash Flows

- Reduce net working capital through inventory optimisation, improved collections and favourable commercial and payment terms.
- Strengthen operating cash flow generation and maintain a healthy balance sheet to support future growth while preserving financial flexibility.

Create Sustainable Long-Term Value

- Leverage the strong momentum across Clean Energy, Aerospace & Defence and other strategic sectors to drive sustained and profitable growth.
- Build scalable capabilities, deepen customer relationships and strengthen our competitive positioning to create enduring value for our shareholders and other stakeholders.

Closing Remarks

As we look at our priorities for the near and long term, we have a robust five-year roadmap to pursue growth across all our sectors, with execution remaining our foremost priority in the near term. Our ongoing greenfield and brownfield expansions across key verticals are progressing as planned, as we continue to build the capacity and capabilities required to support the next phase of growth.

At the same time, as the Company continues to pursue the long-term strategic opportunities ahead of us, prioritisation of projects and prudent allocation of capital will remain equally important. We remain focused on improving working capital efficiency, strengthening operating cash flows and maintaining a healthy balance sheet, while ensuring that capital is deployed towards opportunities that can deliver sustainable growth and attractive returns. During FY26, we significantly reduced our net working capital days to 172, supported by improved payment terms and stronger working capital management, while also improving our operating cash flows. We intend to build on this progress and target a further reduction in net working capital days to around 100 in FY27.

Timely execution in line with customer requirements remains another critical area of focus. We continue to strengthen our management and technical teams, enhance operational efficiencies and build the manufacturing capabilities required to execute our growing order book and meet our delivery commitments. As we scale our revenues, improving operating leverage and strengthening EBITDA margins will also remain key priorities.

With the progress we are witnessing across our key verticals and the initiatives underway to strengthen capacity, capabilities and execution, we remain confident of achieving approximately 80% revenue growth in FY 27, with an EBITDA margin of 24% ±100 basis points.

As we move forward, our ambition remains clear, to build a scalable, globally competitive and world-class institution capable of creating enduring value for all our stakeholders. We enter the next phase of our journey with confidence in the opportunities ahead and a relentless focus on execution.

I would like to express my sincere gratitude to our shareholders, employees, customers, supply chain partners and all other stakeholders for their continued trust and support. Your confidence in us strengthens our resolve as we work towards building the next chapter of the Company's growth journey.

Parvat Srinivas Reddy
Managing Director
MTAR Technologies Limited

1970s - Indigenisation of nuclear island assemblies

1990s - Indigenisation of propulsion systems

2000s - Indigenisation of actuator assemblies and several other niche products in Defence

2010s - Development of various products for Fuel cells

2020s - Development of components and sub assemblies for Global Aerospace programs

The Company has a strong legacy of developing cutting-edge products and futuristic technologies, driven by its ability to identify high-growth sectors well ahead of time and build capabilities to capitalise on emerging opportunities.

2026 - Development of products for Data Centre Infrastructure solutions

Company Overview

MTAR is a market leader in precision-engineered products and solutions, with established capabilities across Clean Energy - Civil Nuclear, Fuel Cells, Aerospace & Defence and other strategic sectors.

With an engineering legacy spanning more than five decades, the Company has carved a distinctive niche by building differentiated capabilities for complex, mission-critical applications. Its diversified product portfolio spans fuel handling assemblies for the core of nuclear reactors; propulsion systems for the space programme; actuator assemblies, wing-kit assemblies, engine sub-assemblies and various other products for Aerospace & Defence applications; and various key products and assemblies for fuel-cell systems.

Beyond these core sectors, the Company fabricates specialised structures for hydropower and wind-energy applications and has expanded into Oil & Gas, where it is developing and supplying key products for renowned global customers.

Continuing its legacy of building capabilities around emerging and future-facing technologies, the Company is now expanding into data-centre infrastructure solutions, opening another avenue for long-term growth.

Today, the Company combines its five decades of engineering expertise, precision-manufacturing capabilities and track record of addressing differentiated products to serve some of the most demanding and high-growth sectors in India and global markets.

Vision

Graduate from precision Engineering towards system integration

Be a reliable manufacturer and offer innovative manufacturing solutions to manufacture differentiated engineering products to clients across diversified segments and geographies

Enhance our current capabilities to manufacture world class products to cater to domestic and global engineering needs

Be an ESG compliant firm and generate margins through sustainable business practices, thereby creating value to all the stakeholders in the process

Extensive Experience

MTAR Technologies Limited was established in 1969 by three founders (P. Ravinder Reddy, K. Satyanarayana Reddy and P. Jayaprakash Reddy) with the objective to address the growing post-embargo engineering requirements of India. The Company now enjoys more than five decades of rich experience and a prominent position in India's Clean Energy - Civil Nuclear Power, Fuel cells, and others. Space & Defence sectors.

The Company is led by Parvat Srinivas Reddy who possesses more than three decades of vast experience in Clean Energy, Aerospace and Defence sectors.

Management

The Company is managed by Parvat Srinivas Reddy and a team of experienced technical and management professionals.

MTAR comprises 4467 employees including third party contract employees as on March 31, 2026.

Under his leadership the Company has been witnessing significant growth in various segments. He was instrumental in establishing and scaling up the exports division including Clean Energy - Fuel Cells and Export Aerospace verticals at MTAR.

Knowledge Capital

The Company is recognized for its deep technical expertise, developed over the past five decades by consistently meeting the niche and complex requirements of customers in strategic sectors. This capability is built on the foundation of a strong workforce of 4467 employees, including contract personnel, as of FY26.

Our talent pool reflects a balanced mix of experienced industry veterans and dynamic young professionals, fostering both stability and innovation.

As of March 31, 2026, the average age of employees stood at 35 years, supporting a culture of knowledge transfer, adaptability, and long-term growth.

Products

The Company specialises in the design and fabrication of complex precision engineered systems and sub systems such as

1. Fuelling Machine Head, Bridge & Column, Fuel Transfer System, Coolant Channel assemblies, Drive Mechanisms, Fuel Locator Assembly, Sealing & Shielding doors etc. for the core of the civil nuclear reactors

2. Liquid Propulsion Engines, Cryogenic Engine Sub Systems, Electro-Pneumatic Modules, Satellite Valves, Grid Fin Structures etc. for Space Launch Vehicles; actuation systems, Gear boxes, Aerostructures, valves, ball screws etc. for various applications in Aerospace & Defence

4. Various products for fuel cells

5. Import substitutes such as ball screws, water lubricated bearings, roller screws, ASP assemblies that find various applications in Clean Energy , Space & Defence sectors

6. Specialised fabricated structures such as draft tube, spiral casing, Rotar & Stator assemblies for various Hydro Power and Wind Energy applications

7. Whipstock assemblies for Oil & Gas

Credit Rating

ICRA has reaffirmed A (stable) for Long-term borrowings and A (stable) for short-term borrowings - Fund based & Non-fund based in FY 26, reflecting the Company's strengthened financial profile and creditworthiness

Customers

The Company is a trusted partner to several marquee global multinational corporations based out of US, UK, Europe and Israel. In the domestic market, it proudly serves reputed institutions such as the Nuclear Power Corporation of India Limited (NPCIL), Indian Space Research Organisation (ISRO), Defence Research & Development Organisation (DRDO), and Hindustan Aeronautics Limited (HAL).

Over the past three to four years, the Company has successfully added several new customers across geographies, completed first articles and entered into volume production. These additions reflect the growing trust in the Company's capabilities and the long-term relevance of its offerings.

Further, the Company is actively engaged in discussions with multiple prestigious global MNCs across various sectors for upcoming projects, reinforcing its position as a preferred partner in high-technology, strategic sectors.

Milestones

1969

Inception of MTAR to supply Coolant Channel Assemblies to the Department of Atomic Energy

1983

Commenced supplies of components to Indian Space Research Organisation (ISRO)

1989

Rolled out first Vikas Engine for Space Launch Vehicle

1999

Development of Cryogenic Upper Stage Engine Systems

2009

Foray into Clean Energy-Fuel sector by supplying SOFC units for fuel cells

2020

Development of Electro-Pneumatic Modules for Space Launch Vehicles

2023

Addition of new products like Roller Screws, ASP Assemblies

2024

Development of Electro-Mechanical Actuators

2026

Expansion into Oil & Gas and entry into data centre infrastructure solutions

Awards

2025

Received Best Delivery under A Class category products from HAL, Lucknow.

2021

Received National Level Champion Award from Society of Indian Defence Manufacturers (SIDM) under Import substitution for Mission Critical Parts/ Systems/Sub-systems medium category for Ball Screws.

2020

MTAR received an appreciation letter from RCI for the contribution towards the indigenisation of ball screws for actuation systems.

2005

MTAR was awarded the Defence Technology Absorption Award by the Defence Research and Development Organisation in recognition of its technology absorption in the area of strategic missiles.

2004

MTAR was awarded the INS Industrial Excellence Award by the Indian Nuclear Society for contributions in the Civil Nuclear Power field through critical development assignments.

2002

MTAR was bestowed the Award for Excellence in Aerospace Indigenisation by Society of Indian Aerospace Technologies and Industries for its outstanding contribution towards indigenisation of the machining of critical components for Kaveri engines.

Expanding into Equipment Manufacturing for the Oil & Gas - Addressing Critical Assemblies

As part of its strategic growth initiatives , MTAR has entered the equipment manufacturing space for the Oil & Gas sector by signing a long-term contract with Weatherford and delivered the first articles

The new Oil & Gas plant will be operational in FY 27. The company has also initiated addressing first articles for SLB.

The company aims to tapping into the growing demand for high-quality, specialized products in this critical industry segment.

Strategic Diversification into Data Centre Infrastructure Solutions- Tapping into a high growth market

MTAR has received a first-article order worth Rs. 450 Mn for the supply of sheet metal components and assemblies for data centre infrastructure solutions. First-article deliveries are expected to commence in FY27.


Built to Specifications - Product Design


Advanced Machining


Specialised Fabrication


Assembly & Integration

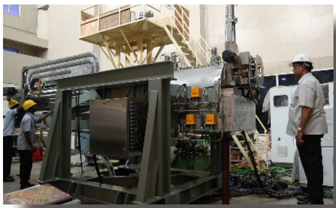

Heat Treatment


Surface Treatment - Painting

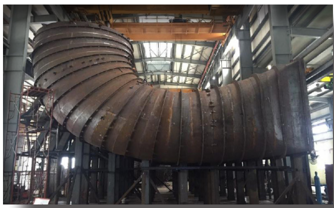

Quality Control


Electronics Manufacturing Systems - Cable Harnessing Assemblies

We operate across more than ten advanced manufacturing units, offering complete in-house capabilities to support the entire product lifecycle - from design to development



Integrated Systems



Specialised Fabricated Structures

Batch Production

Product Portfolio

Mass Production

Critical Aerostructures

Import Substitutes

MTAR addresses diverse products ranging from highly complex integrated systems to precision structures with close tolerances weighing from few gms to hundreds of tonnes

Product Portfolio - Civil Nuclear Power


Fuelling Machine Head

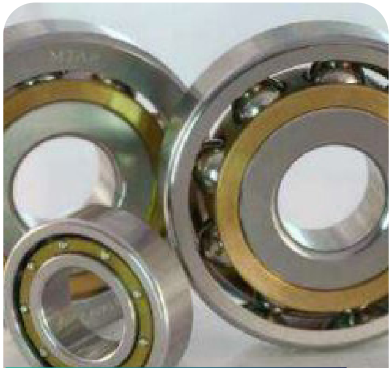

Grid Plate


FM Bridge & Column


Coolant Channel Assemblies


Calandria Vault Top Hatch Cover Beam


Control Plug


Water Lubricated Bearings

Clean Energy - Fuel Cells & Other Sectors

MTAR supplies various assemblies for Solid Oxide Fuel cells and Solid Oxide Electrolysers to a US based customer

Clean Energy- Hydro Power, Wind, Waste to Energy, and others

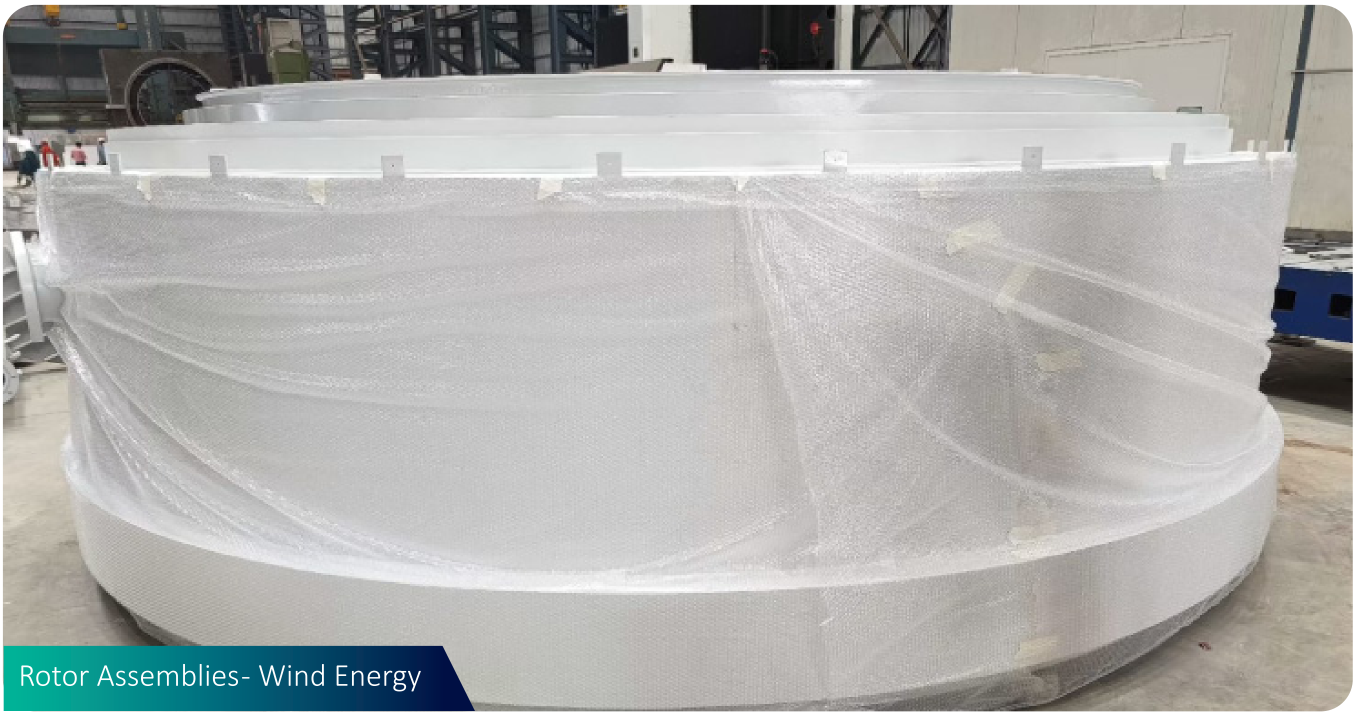
Draft Tube - Hydro Power

Spiral Casing- Hydro Power

Structures - Waste to Energy Sector

Clean Energy- Hydro Power, Waste to Energy, and others

Stator Assemblies - Wind Energy



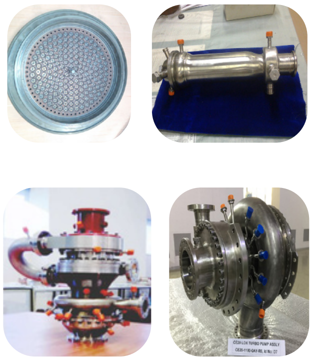
Rotor Assemblies- Wind Energy

Product Portfolio- Aerospace & Defence

Our Product portfolio in Space

Products Supplied to ISRO

Stage 3: Ball Screws

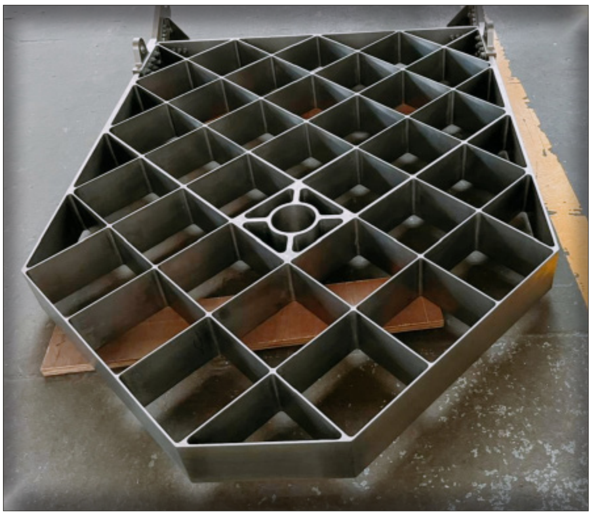


Stage 2: Cryogenic Upper Stage Assemblies (LOX Turbo Pump, LH2 Turbo Pump, Injector Head and Gas Generator)

Stage 1: Vikas Engine

Stage 1: Electro-Pneumatic Modules

Products Under Development - Space



Grid Fin Structures for Gaganyaan, India's first human flight mission

Semi Cryo Engine - Enhances payload capacity of GSLV from 4 tonnes to 6 tonnes

Products - MNC Aerospace

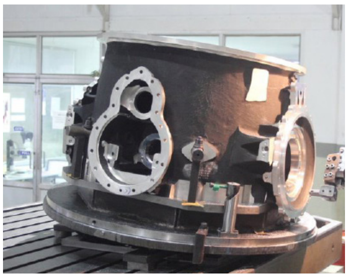
Weldment Structures

High Precision Components

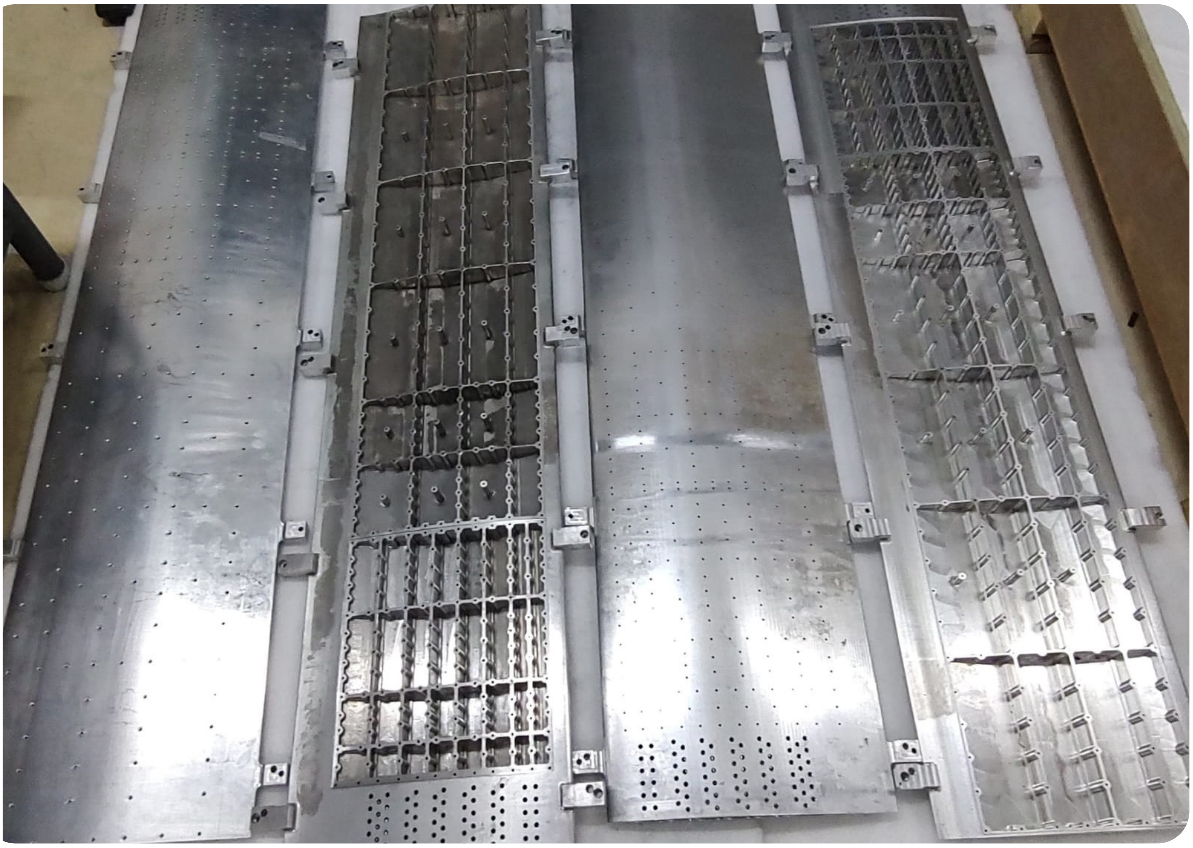
Casing Structures

Product Portfolio in Defence

Helicopter Housing

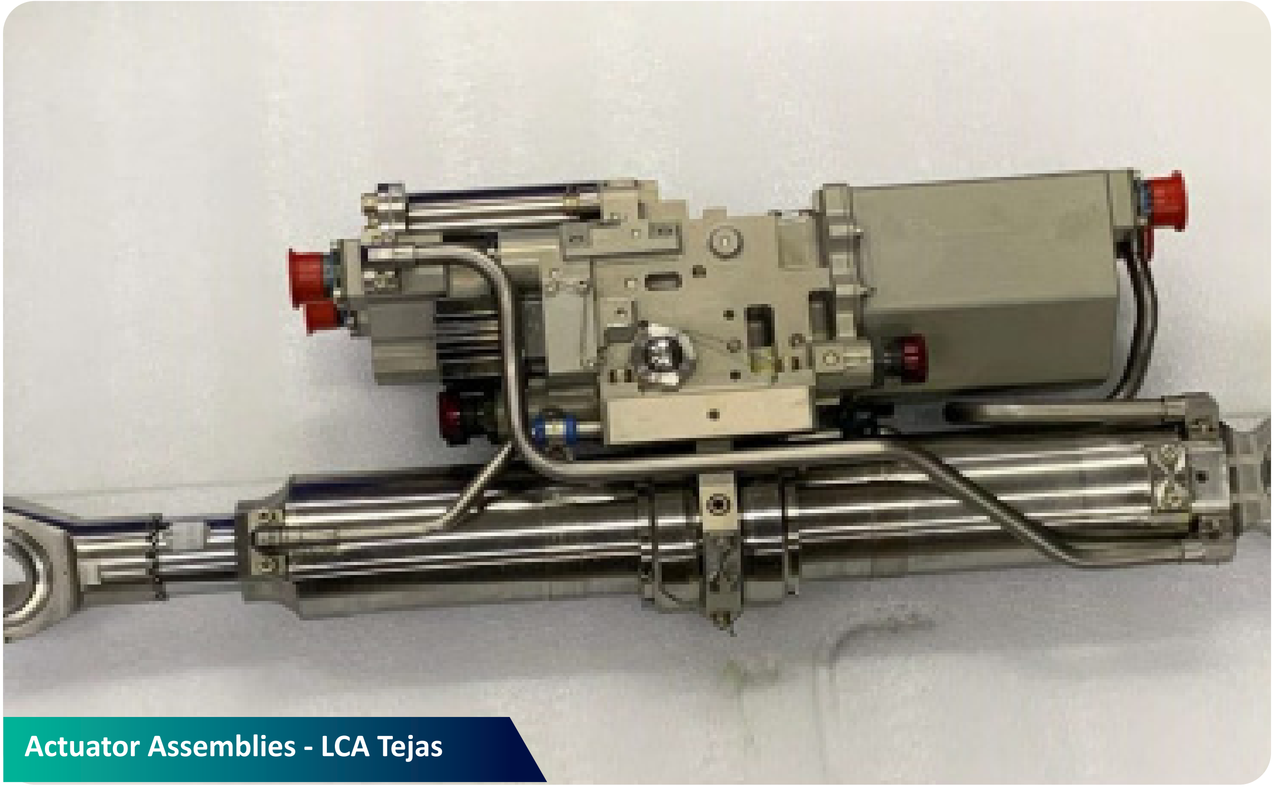


Magnesium Gear Box

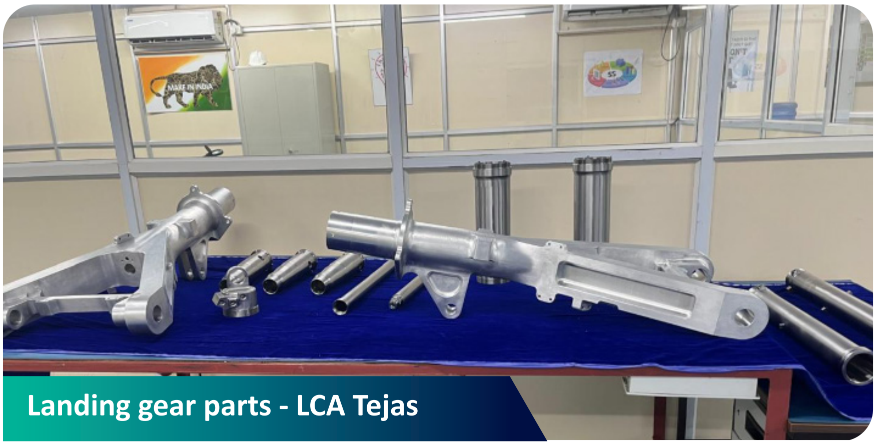


Aerostructures- Wing Kit Assemblies

Product Portfolio in Defence



Actuator Assemblies - LCA Tejas



Landing gear parts - LCA Tejas

Products - MNC Aerospace & Defence

Engine Components- MNC Aerospace

Engine Components- MNC Aerospace

The Company supplies engine components to leading global aerospace customers and is actively expanding its product portfolio in propulsion systems. Notably, it has also realised the combustor assemblies for the Scramjet Engine for domestic defence programs, marking an important step into advanced propulsion technologies.

Products - MNC Aerospace & Defence

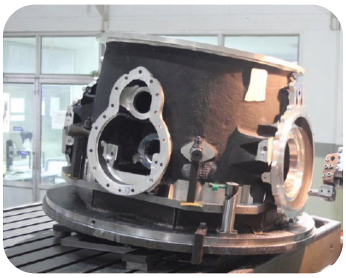
Ground Support System for Satellites- Z adapter

Combustor Asssemblies - Scramjet Engine

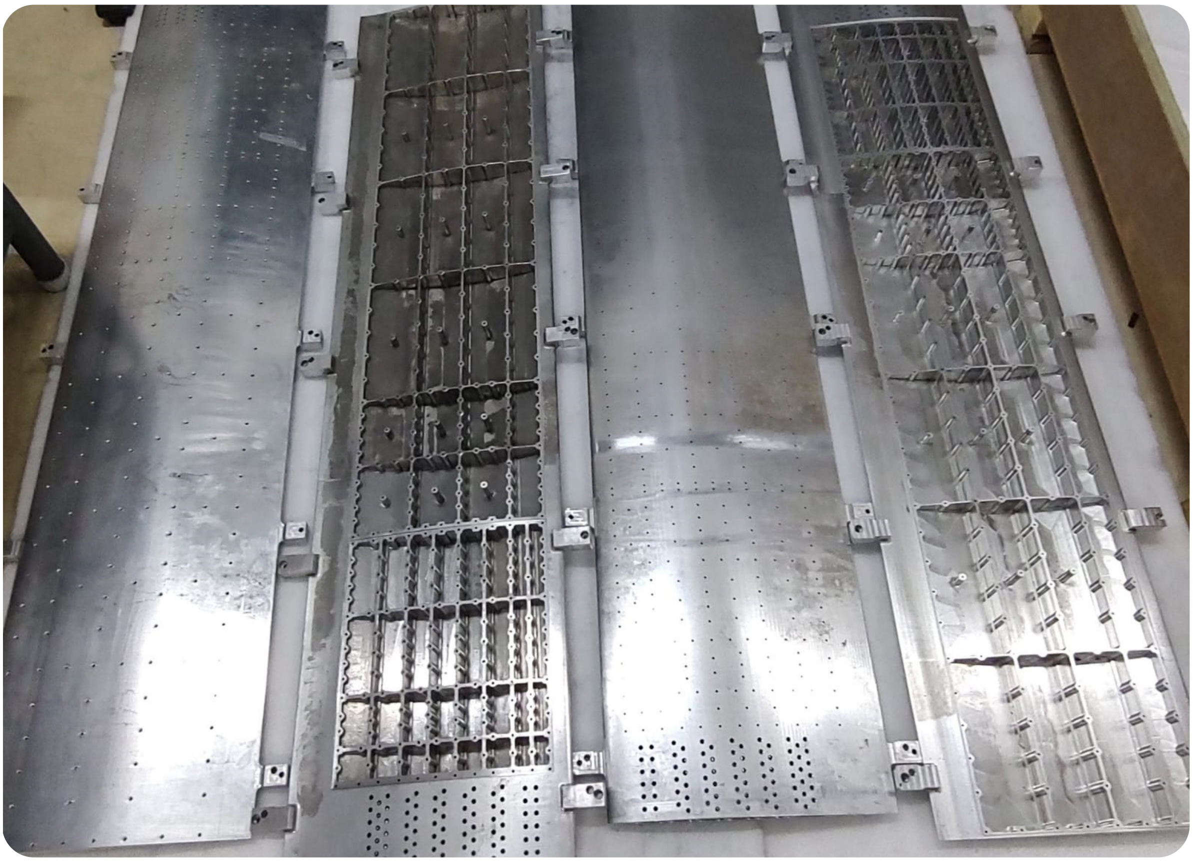
Storage Box

Product Portfolio in Defence

Helicopter Housing

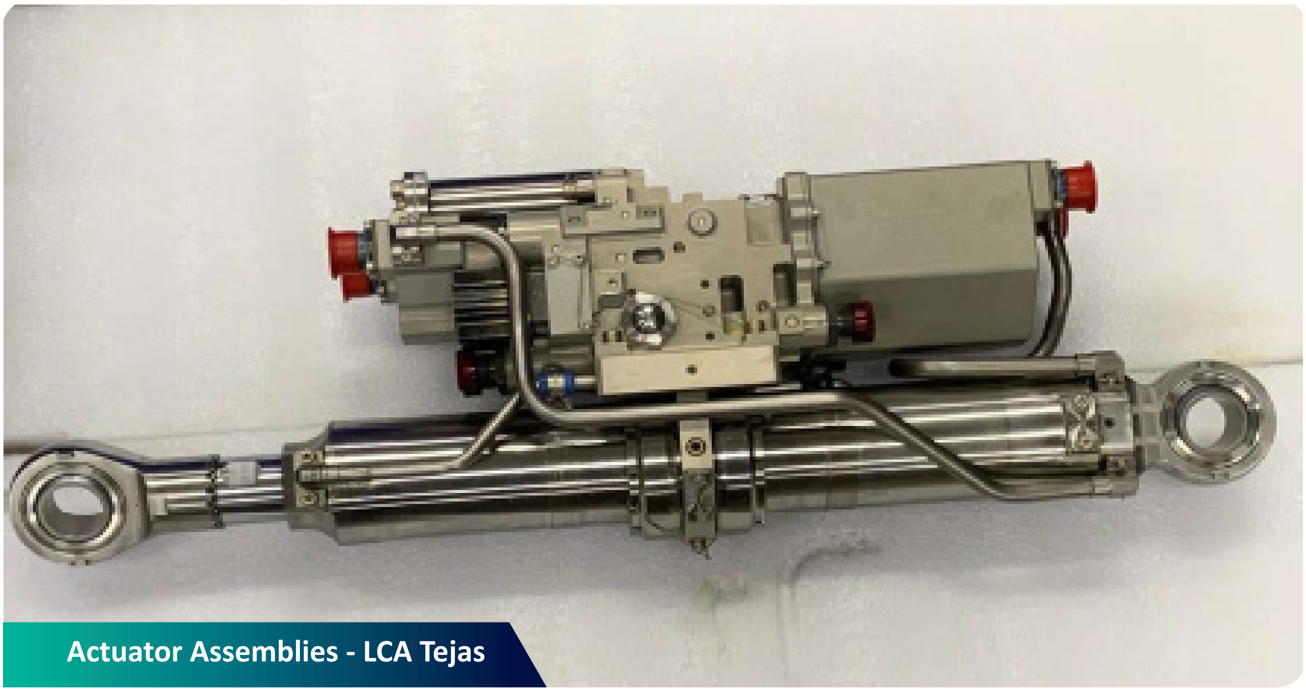


Magnesium Gear Box



Aerostructures- Wing Kit Assemblies

Product Portfolio in Defence



Actuator Assemblies - LCA Tejas

Landing gear parts - LCA Tejas

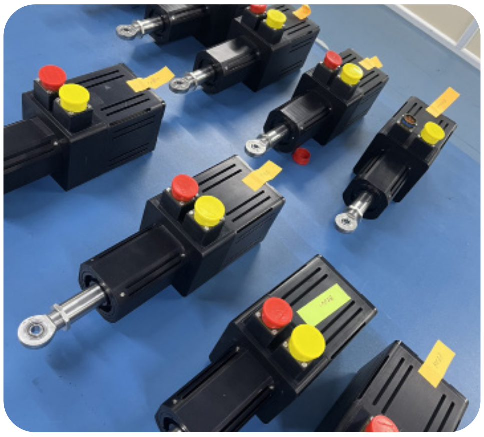
Specialised Products & Import Substitutes

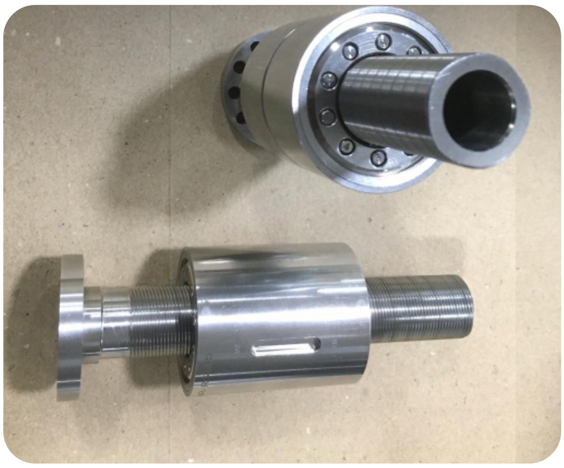
Valves

MTAR supplies valves for various applications in Aerospace and Defence

Electro Mechanical Actuators

The Company supplies Electro-Mechanical Actuators for various Aerospace and Defence programs. The Company has also participated in the tendering process for actuators of launch vehicles





Roller Screws and Ball Screws

The Company supplies ball screws which are import substitutes for various applications in Civil Nuclear Power, Aerospace and Defence. MTAR has also developed customised roller screws.

The company supplies various other products for multiple customers in Clean Energy, Aerospace and Defence sectors

Product Portfolio- Oil & Gas

Whipstock assemblies

Diversified customer base across different sectors and geographies

Over the past 2-3 years, the Company has added reputed global OEMs such as GE Power, Voith, IAI, Thales, GKN Aerospace, Weatherford, SLB among others in Clean Energy, Aerospace, and Oil & Gas sectors

Indian Space Research Organisation

Incorporated in 1969, Indian Space Research Organisation is the sixth largest space agency in the world. ISRO works on space exploration programmes and application-specific satellite products. ISRO has been involved in more than 100 space craft missions including three nano satellites and one micro satellite and 72 launch missions. ISRO launched nearly 270 foreign satellites of more than 30 countries.

Nuclear Power Corporation of India Ltd

A Public Sector Enterprise (under the administrative control of the Department of Atomic Energy, Government of India. The Company drives the operations and implementation of atomic power plants. NPCIL is responsible for design, construction, commissioning and operation of nuclear power reactors. NPCIL is operating 24 commercial nuclear power reactors with an installed capacity of 8780 MWe. NPCIL has eight reactors under various stages of construction totaling 6200 MWe capacity.

DRDO

R&D wing of Ministry of Defence in India with a vision to empower India with cutting-edge defence technologies and achieve self-reliance in critical defence technologies and systems. DRDO comprises a network of more than 50 laboratories engaged in developing defence technologies. DRDO's indigenous development and production of strategic missile systems and platforms, light combat aircraft Tejas, air defence system Akash and a range of radars and electronic warfare systems.

Rafael Advanced Defense Systems Ltd

One of Israel's three largest defence companies, with more than 8,000 employees and numerous subcontractors and service providers. Synonymous with dynamic defence, daring innovation, and technological ingenuity. Pioneered advances in defence, cyber and security solutions for air, land, sea, and space. Innovations based on extensive operational experience and understanding of evolving combat requirements.

Elbit Systems

Israel's largest publicly traded arms and security Company. Has military contracts with governments in the US, UK and Europe, Africa, Asia and South America. Elbit Systems is the primary provider of the Israeli military's land-based equipment and unmanned aerial vehicles. It is an important Company within the defense industry of Israel.

Collins Aerospace

Collins Aerospace is one of world's leading supplier of Aerospace products. It's engaged in designing, manufacturing and servicing systems and components for commercial aviation, business aviation, military and defense, helicopters, space, airports, and other industries.

Collins Aerospace has six strategic business units: Aerostructures, Avionics, Interiors, Mechanical Systems, Missions Systems, and Power & Controls

GKN Aerospace

GKN Aerospace is the world's leading multi-technology Aerospace product supplier. With 38 manufacturing locations in 12 countries, it serves over 90% of the world's aircraft and engine manufacturers. It designs and manufactures innovative smart aerospace systems and components.

Thales

Thales Group is a French Multinational Company that designs, develops and manufactures electrical systems as well as devices and equipment for the aerospace, defence, transportation and security sectors. Its solutions include air traffic management systems, navigation solutions, flight deck, avionics equipment, flight avionics, electrical systems, and training solutions for the aerospace industry.

The Company also provides weapon systems, protection systems, radio communications products, network and infrastructure systems, critical information systems and cybersecurity solutions for the land, naval and air defense markets. Thales also offers maintenance, repair and training services. Head quartered in Paris, France, its business operations span across the Americas, Europe, Asia-Pacific, the Middle East and Africa.

Israeli Aerospace industries

Israel Aerospace Industries or IAI is Israel's major aerospace and aviation manufacturer, producing aerial and astronautic systems for both military and civilian usage. It a completely state-owned by the government of Israel. IAI designs, develops, produces and maintains civil aircraft, drones, fighter aircraft, missile, avionics, and space-based systems.

Bloom Energy Inc.

Provides solid oxide fuel cell technology. Technology generates on-site power from multiple fuel sources. Offers services to the banking, financial services, cloud services, data centers, technology, communications and media, consumer packaged goods and consumables, government, healthcare, hospitality, logistics, manufacturing, real estate and retail industries. Manufacturing facilities in California and Delaware.

Voith

The Voith Group is a global technology Company. With its broad portfolio of systems, products, services and digital applications, Voith has set standards in the markets of energy, paper, raw materials and transport & automotive. Founded in 1867, Voith is one of the larger family-owned companies in Europe with sales of € 4.3 billion and locations in over 60 countries

Worldwide Oilfield Machine

Worldwide Oilfield Machine(WOM) is a vertically integrated, multinational oilfield equipment manufacturer that specializes in custom solutions for the drilling, testing, production and intervention segments of the oil and gas industry. Established in 1980 with headquarters based in Houston, Texas, WOM group of companies' employ have 12 strategically located facilities around the world.

GE Hydro

GE Hydro is a one of the renowned players in Hydel sector that offers broadest range of hydro solutions and services: from water to wire, from individual equipment to complete turnkey solutions, for new plants and the installed base. GE'S Hydro Turbines and Generators represent more than 25% of the total installed capacity worldwide.

Medha Servo Drives

Medha is dedicated for manufacturing of Railway products. It has designed and manufactured various world class high-tech electronics products for application in Locomotives, Coaches and Railway Stations. Medha has successfully established a track record of more than 35 years.

Andritz Hydro

Andritz Hydro is a global supplier of electromechanical systems and services ("from water-to-wire") for hydro-power plants and one of the leaders in the world market for hydraulic power generation.

SLB

SLB is a global technology leader that drives energy innovation for a balanced planet. With a global footprint in more than 100 countries, it works on innovating oil and gas, delivering digital at scale, decarbonizing industries and developing and scaling new energy systems that accelerate the energy transition

Weatherford International

Weatherford International plc is a leading global energy services Company that is operating in approximately 75 countries. It is catering to the energy industry with its global talent network of approximately 17,000 team members and approximately 350 operating locations, including manufacturing, research and development, service, and training facilities

Fluence Energy

Fluence is a global leader in energy storage systems. It offers energy storage products that are optimized for common customer applications but can be configured for specific use cases and requirements. All Fluence products can be delivered as turnkey solutions to the customer including all associated balance of plant equipment.

GE Healthcare

GE Healthcare is a leading global medical technology player. With over 100 years of healthcare industry experience and around 50,000 employees globally, the Company operates at the center of an ecosystem working toward precision health, digitizing healthcare, helping drive productivity and improve outcomes for patients, providers, health systems and researchers around the world

MTAR has built long-standing customer relationships and continues to expand its customer base across diverse sectors

Our Foundation of Engineering Excellence

Built over decades, the Company's deep-rooted competencies in precision engineering have positioned it as a leading player across the Clean Energy, Aerospace and Defence sectors

End to End Product Development Expertise - Built to Print & Built to Specifications

MTAR is a pioneer in India's niche precision engineering industry and has over the past few decades, contributed to several prestigious Indian and global programs across Clean Energy—including Civil Nuclear Power and Fuel Cells as well as the Aerospace and Defence sectors. The company is also expanding into Clean Energy - Data centre infrastructure solutions and Oil &Gas.

The Company specialises in manufacturing build-to-print precision engineered systems that are widely recognized for their quality and cost-effectiveness. This capability has enabled the Company to forge long-standing relationships with a diverse and loyal customer base. In addition to its manufacturing expertise, the Company has established a dedicated design cell to develop build-to-specification products. Currently, the design arm is engaged in the development of complex products such as pumps, valves and engine sub systems. Leveraging decades of experience in manufacturing and co-developing innovative technologies with its customers, MTAR has progressivel expanded its state-of-the-art facilities encompassing in-house product design, advanced machining, specialised fabrication, system integration, surface treatment, and heat treatment. These capabilities are further strengthened by a rigorous testing and quality control mechanism at every stage of the production cycle, ensuring that all finished products meet exacting customer specifications.

The Company's profit centres are accredited with ISO 9001:2015 and AS9100D certifications (technically equivalent to EN 9100:2018 and JISQ 9100:2016) for quality management systems. Additionally, our facilities at Unit 1, Unit 2, Unit 3, Unit 6 and Unit 7 are certified for ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health & Safety), and ISO 27001:2013 (Information Security Management System). We have also received NADCAP certification for our facilities at Unit 5 and Gee Pee for special processes, underscoring our commitment to world-class standards in Aerospace and Defence manufacturing.

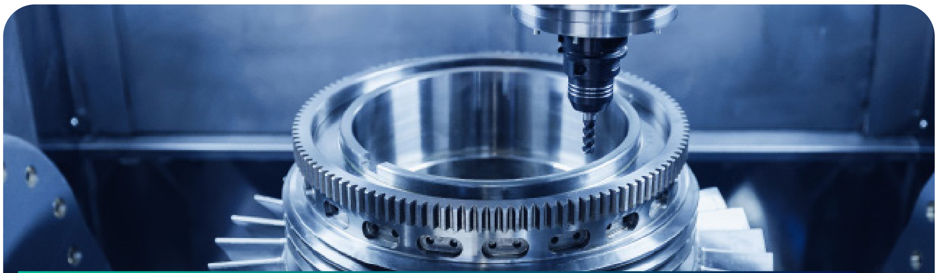
Diversified product portfolio

MTAR has built a broad and diversified product portfolio over the decades, serving multiple strategic sectors with precision-engineered, build-to-print products tailored to customer specifications. Complementing its robust manufacturing capabilities, the Company has also established a dedicated design division that undertakes build-to-specification projects—managing them end-to-end, from conceptualization and design through to final execution. It's unwavering commitment to quality, precision, and the timely delivery of mission-critical projects has enabled the Company to become a trusted strategic partner, fostering long-term relationships founded on reliability and performance.

In the Clean Energy- Civil Nuclear Power sector, the Company supplies complex and highly differentiated components such as fuelling machine heads, fuel transfer systems, bridge and column assemblies, and coolant channel assemblies to the Department of Atomic Energy. These products are delivered for both new Pressurized Heavy Water Reactors (PHWRs) and for the refurbishment and maintenance of existing installations. The company also supplied majority of assemblies for core of the Prototype Fast Breeder Reactor which recently achieved its criticality. This capability underscores the Company's deep engineering expertise and its critical role in supporting the nation's nuclear infrastructure.

In the Clean Energy – Fuel Cells segment, the Company supplies variety of key products. The efforts placed by the company to develop the components and assemblies for Solid Oxide Fuel Cells and Solid Oxide Electrolysers align with the global push toward sustainable energy solutions and position the Company as a key enabler in the clean energy ecosystem. The Company also extends its capabilities to other verticals within the clean energy space, including Hydro Power, Wind Energy, and data centre infrastructure solution sectors. It manufactures and delivers critical fabricated structures such as draft tubes, spiral casings, rotor and stator assemblies, demonstrating engineering versatility and a strong commitment to environmental sustainability. The company has also initiated working on the first articles for data centre infrastructure solutions

In the Aerospace and Defence sector, the Company plays a key role by delivering mission-critical assemblies such as turbo pumps, booster pumps, gas generators, and injector heads for liquid propulsion and cryogenic engines used in Space Launch Vehicles.



MTAR has end-to-end capabilities to develop precision-engineered products, from concept design through development, across the Clean Energy, Aerospace and Defence sectors.

These contributions reinforce the Company's strategic importance in national defence and aerospace initiatives.

The diversifed and advanced product offering highlights the Company's core competitive strength, its ability to operate across high-stakes, strategic sectors with a resilient and future-ready portfolio.

By leveraging its deep domain expertise and diverse capabilities, the Company is well-positioned to seize emerging opportunities while continuing to align with national priorities and global technological advancements.

Experienced and well-qualified management team

The Company continues to advance its growth journey under the leadership of Parvat Srinivas Reddy, who brings over three decades of extensive experience in the Clean Energy, Aerospace, and Defence sectors.

His leadership is complemented by a highly experienced technical and corporate management team with deep domain expertise across Clean Energy including Civil Nuclear Power, Fuel Cells and Hydro Power along with Space, Aerospace and Defence. The collective experience and domain knowledge of the leadership team enable the Company to identify and capitalise on emerging market opportunities, effectively manage customer requirements and adapt swiftly to evolving industry dynamics, while supporting the Company's long-term growth ambitions. swiftly to evolving market condition

Each business vertical is led by experienced, hands-on segment heads with in-depth technical and industry knowledge of their respective domains. Their leadership has been a key driver of the Company's growth momentum over the past five years. These business heads play a pivotal role in developing new technologies and fostering strong, long-term customer relationships.

Supporting the leadership is a dedicated mid-level management team, bolstered by trained personnel and skilled workers who benefit from regular in-house training initiatives. The Company places strong emphasis on execution with utmost quality and minimal failures.

Furthermore, the Company's personnel policies focus on attracting talented individuals, facilitating their integration, and promoting continuous skill development, ensuring a motivated and capable workforce aligned with the Company's growth ambitions.

State of the art Manufacturing facilities

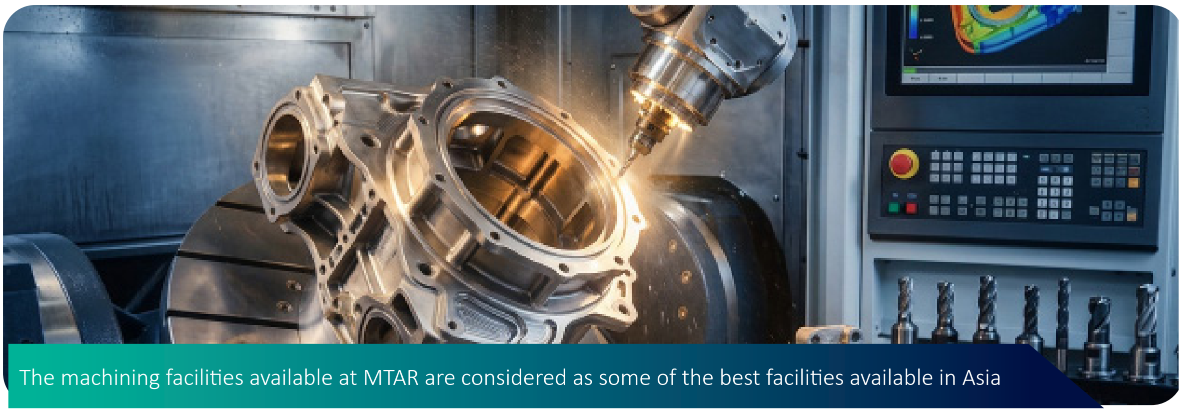
The Company operates through more than ten state-of-the-art manufacturing facilities in Hyderabad, Telangana, with certain facilities comprising multiple specialised sub-units dedicated to specific products, processes and customer requirements. This manufacturing footprint is supported by integrated capabilities spanning design, advanced machining, assembly & integration, surface treatment, heat treatment and quality control under one roof. Over the years, the Company has consistently invested in advanced and futuristic manufacturing technologies to strengthen its end-to-end product development and manufacturing capabilities.

The Company has historically adopted a forward-looking approach to capacity creation, establishing capacities ahead of anticipated demand, largely through internal accruals. The availability of such capacities enables the Company to address future volume ramp-ups by making incremental investments primarily in identified bottleneck areas, thereby minimising the cost and lead time associated with capacity expansion.

In line with the growth of its newer business verticals, the Company has also established dedicated manufacturing infrastructure. The Aerospace facility became fully operational in last fiscal year, strengthening the Company's ability to scale production and cater to key customers in this strategic sector. The dedicated Oil & Gas facility is currently under development, further expanding the manufacturing platform to support the expected growth in this vertical as well as capacity requirements across other business verticals like Clean Energy- Fuel cells

The Company also leverages its in-house engineering and manufacturing expertise to develop sophisticated special-purpose machines and equipment wherever feasible. Certain equipment that would otherwise have required imports has been designed and built internally, resulting in significant cost savings while strengthening the Company's manufacturing capabilities.

This integrated manufacturing infrastructure, coupled with capacity created ahead of demand, in-house engineering expertise and a disciplined approach to incremental expansion, enables the Company to scale its businesses efficiently while optimising capital deployment.



The machining facilities available at MTAR are considered as some of the best facilities available in Asia

State of the art facilities with cutting edge manufacturing technologies

Plant	Products Manufactured	Sectors catered to	Facilities offered
Unit 1	Complex nuclear assemblies manufacturing such as fuelling machine head, top hatch beam, bridge and column and defence equipment, among others	Clean Energy- Civil Nuclear Power, Defence	Design, Advanced computerized numerical control ("CNC") machining and quality control, assembly and integration
Unit 2	Liquid propulsion engines such as Vikas engine, Cryogenic engines, Semi Cryo engine, electro pneumatic modules for use in Polar Satellite Launch vehicle ("PSLV") and Geosynchronous Satellite Launch Vehicle ("GSLV") and satellite valves	Aerospace & Defence	Advanced CNC machining, assembly, specialised fabrication, quality control and testing
Unit 3	High Volume nuclear assemblies including coolant channel assemblies, products such as Ball Screws, Water Lubricated Bearings, Roller Screws and other nuclear site orders	Clean Energy- Civil Nuclear Power, Defence	Advanced CNC machining, Heat Treatment, Assembly & Testing
EOU	SOFC & Hydrogen units, electrolysers, ASP assemblies for Clean Energy, high precision equipment to Aerospace MNCs	Clean Energy- Fuel Cells & MNC Aerospace	Advanced CNC machining, assembly, special processes, and quality control
Unit 4 EOU Aerospace	This is a supporting unit and undertakes rough machining	-	Rough machining
Unit 5	This is a supporting unit and undertakes surface and heat treatment	-	Surface treatment, heat treatment and special processes
Unit 6- Adibatla	Sheet metal assemlies and enclosures for Clean Energy- Fuel cells; critical structures for Clean Energy- Hydel & Waste to Energy sectors Electronics Manufacturing Systems- Cable Harnessing Assemblies	Clean Energy- Fuel Cells, Hydel and others	Advanced Machining, Fabrication, Assembly and Integration, Cable Harnessing Assembly
Unit 7- Pashamylaram	Assemblies and Structures for Aerospace	Aerospace	Advanced Machining, surface Treatment & special processes, Assembly and integration
Gee Pee Aerospace	Surface Treatment for Aerospace & Defence	Aerospace	NADCAP approved surface treatment facilities
Oil & Gas	Assemblies for Oil & gas, Clean Energy- Fuel cells	Oil & Gas and Fuel Cells (phase 2 to be be commissioned in FY 27)	Advanced Machining, fabrication, Assembly and integration
Dedicated Clean Energy- Fuel Cells	Assemblies for fuel cells	Fuel Cells (to be operational by March 2027)	Advanced Machining, fabrication, Assembly and integration

Our Company does not have dedicated production lines to manufacture identified products and our facilities are fungible across all the sectors that gives us a greater flexibility in terms of utilization of our capacity.

Robust vendor base

According to project requirements across diverse sectors, the Company procures a wide range of specialized raw materials such as Inconel, Aluminium, Titanium, 17-4 PH, SS 410, and 13-8 MO—from abroad and reliable network of vendors. A significant portion of these materials is imported from authorized international suppliers, ensuring adherence to stringent quality and performance standards. Over the past five decades, the Company has cultivated a diversified and resilient vendor base, significantly reducing reliance on any single supplier and thereby mitigating procurement risks across its operations.

In Clean Energy- Fuel Cells sector, majority of raw materials are procured from customer directed sources and the Company will entering into price contracts with vendor a year ahead; any subsequent increase in price is a pass through.

In Aerospace and Defence, or orders related to ISRO raw material is supplied by the customers. For MNC Aerospace the Company is procuring the raw material and for some projects related to Defence, the customer is issuing the material.

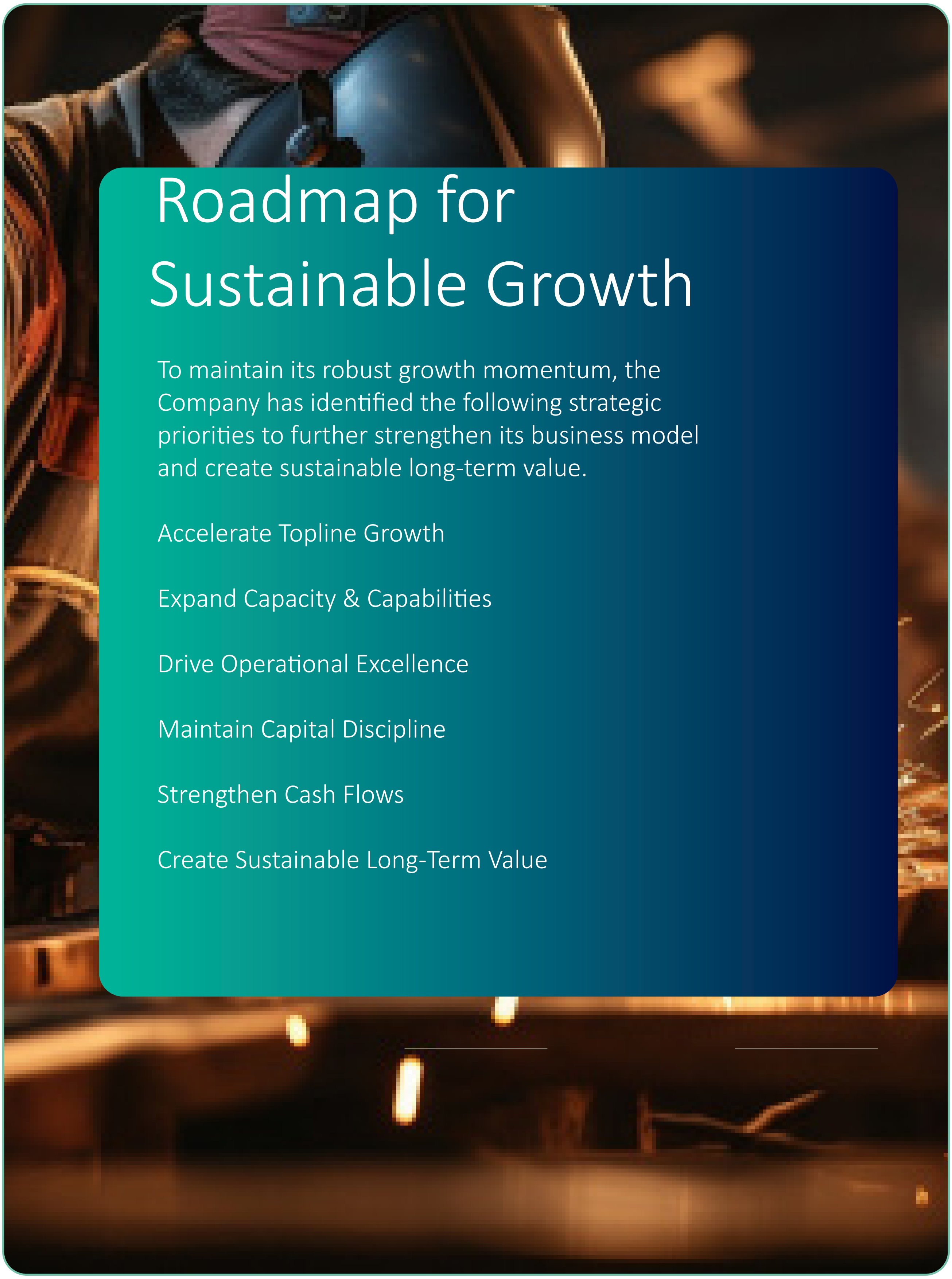
Given that raw material costs form a substantial portion of the overall production expenses, the Company derives significant benefit from its well-diversified and geographically spread supplier base. This not only enables the negotiation of favorable commercial terms and volume-based discounts but also enhances the Company's ability to respond flexibly to market fluctuations. The absence of formal long-term contracts with most suppliers is offset by the Company's strong, long-standing relationships with key vendors, ensuring timely availability of quality materials.

Raw material prices vary from market to market, and our supply chain team accordingly analyses the arbitrage in different markets to take possible advantages of such variations by purchasing larger quantities from the cheaper source. A stringent vendor qualification process is in place, allowing the Company to regularly assess suppliers on the basis of quality, pricing, and delivery performance. These assessments not only inform future negotiations but also support the enforcement of quality claims, reinforcing our focus on cost efficiency, supply reliability, and product excellence. quality of materials supplied and the corresponding prices. We use these details for negotiating purchases in the future and for quality claims, which we believe is a very important aspect of our business operations.

Track record of healthy growth in financials

We increased our revenue at a CAGR 22.16% during the last five years, from Rs. 3220.06 Mn in FY 22 to Rs. 8761.08 Mn in FY 26. We posted an EBITDA of Rs. 1710.55 Mn in FY 26 from Rs. 944.33 Mn in FY 22.

Strategic Priorities



Roadmap for Sustainable Growth

To maintain its robust growth momentum, the Company has identified the following strategic priorities to further strengthen its business model and create sustainable long-term value.

Accelerate Topline Growth

Expand Capacity & Capabilities

Drive Operational Excellence

Maintain Capital Discipline

Strengthen Cash Flows

Create Sustainable Long-Term Value

Strategic Priorities

Accelerate Topline Growth

The Company is focused on accelerating topline growth by scaling existing businesses, increasing wallet share with existing customers and broadening its customer base across Clean Energy, Aerospace & Defence sectors. As recently developed products transition into volume production, they are expected to contribute meaningfully to growth across these sectors.

At the same time, the Company is developing new products and expanding into new business verticals, including Data Centre Infrastructure Solutions and Oil & Gas, to diversify its revenue streams and support sustained growth over the coming years.

Capacity Augmentation

The Company is undertaking greenfield and brownfield capacity expansions across its business verticals to support the next phase of growth. In Clean Energy – Fuel Cells, capacity augmentation is being undertaken in phases. Phase 1 was completed by March 2026, augmenting the baseline capacity by approximately 50%. Phase 2 is planned within the new Oil & Gas facility by November 2026, while Phase 3 is targeted for completion by March 2027 in a new facility, resulting in a multifold increase in overall capacity.

Apart from the phased capacity augmentation in Clean Energy – Fuel Cells and the establishment of a dedicated Oil & Gas facility, the Company is strengthening capacities across Aerospace & Defence and other growth areas in line with the expected volume ramp-up. Alongside physical capacity creation, the Company continues to strengthen its technical, manufacturing and execution capabilities through the training and development of skilled manpower and adoption of advanced manufacturing technologies, including automation, to support new products and higher production volumes

Drive Operational Excellence

As the Company scales its operations, driving operational excellence remains a key priority. The Company is focused on improving productivity and capacity utilisation, optimising manufacturing processes and strengthening supply-chain efficiencies to reduce production cycle times as new products transition into volume production. Greater scale is expected to provide operating leverage and opportunities to optimise procurement and supply-chain costs, supporting improvement in margins. The Company is also increasing the adoption of advanced manufacturing technologies, including automation, wherever feasible, while strengthening operational processes to improve efficiency, quality and timely execution.

Opening order book, FY 2025-26 (Rs. Mn)	New orders in FY 2025-26 (Rs. Mn)	Sales Restated at Order Book FY 2025-26 (Rs. Mn)	Closing order book, FY 2025-26 (Rs. Mn)
9794	24533	8508	25819

Maintain Capital Discipline

As the Company pursues multiple growth opportunities and undertakes capacity expansions across its businesses, maintaining capital discipline remains a key priority. The Company will continue to prioritise projects and allocate capital prudently towards opportunities that offer sustainable growth and attractive returns. Capital deployment will be undertaken in a phased manner, aligned with order visibility, capacity requirements and expected volume ramp-up, with a continued focus on improving asset utilisation and returns. The Company's Return on Capital Employed (RoCE) improved during the year under review, supported by improved margins and operating leverage, and is expected to improve further over the coming years as the business scales and asset utilisation strengthens.

Create Sustainable Long-term Value

The Company is focused on creating sustainable long-term value by building a diversified and resilient business model. As the business scales, the Company aims to progressively reduce customer concentration by broadening its customer base, increasing the contribution from Aerospace & Defence and Civil Nuclear, and scaling emerging verticals such as Oil & Gas and Data Centre Infrastructure Solutions. The Company will also continue to onboard new customers as recently developed products transition into volume production. By diversifying across sectors, products and customers, while maintaining a strong focus on profitable growth, operational excellence and prudent capital allocation, the Company aims to create enduring value for all its stakeholders.

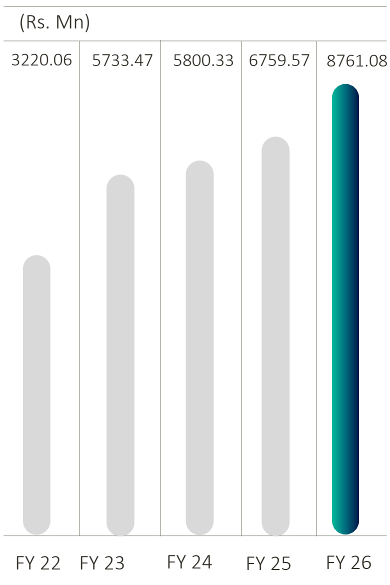
Strengthen Cash flows

Strengthening cash flows remains a key strategic priority, with continued focus on working capital optimisation, disciplined project execution and improved operating cash generation. Stronger cash flows will provide greater flexibility to fund growth initiatives and capital expenditure while maintaining a healthy balance sheet.

Financial Highlights

The Company delivered healthy growth in FY 26 in line with the guidance

Revenues



Definition

Growth in sales net of taxes (if any)

Why is this measured?

It showcases the Company's ability to enhance sales, a number that can be compared with sectorial peers

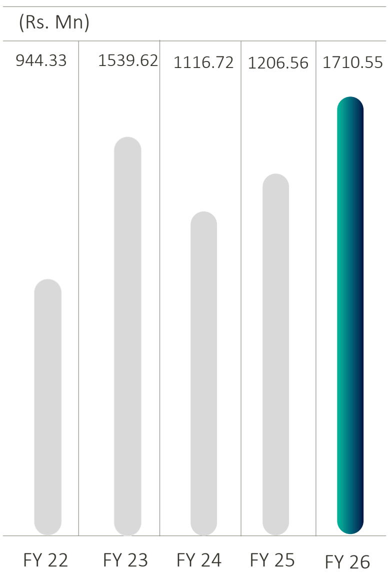
What does it mean?

At aggregate level for the past five years the Company has witnessed an accelerated growth compared to industry average as the sectors Company is catering are at inflection point

Value impact

The revenues have grown at CAGR 22.16% of Rs. 3220.06 Mn in FY 22 to Rs. 8761.08 Mn in FY 26 due to addition of new products and volume ramp up of existing products (detailed in the report)

EBITDA



Definition

Earnings before the deduction of interest, depreciation, extraordinary items, tax and other income

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs

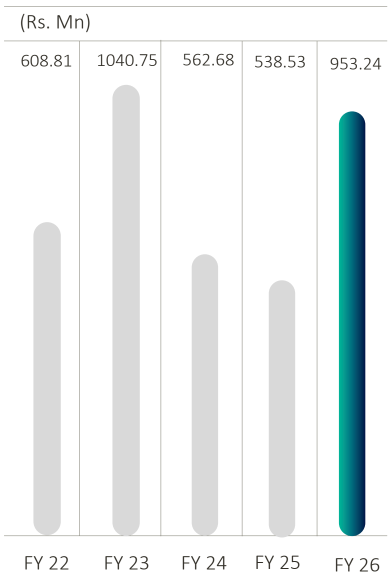
What does it mean?

It helps create a robust growth engine, a large part of which could be available for reinvestment

Value impact

The EBITDA has increased from Rs. 944.33 Mn in FY 22 to Rs. 1710.55 Mn FY 26 with a CAGR of 12.62%

Net Profit



Definition

Profit earned during the year after deducting all expenses, provisions and taxes

Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value

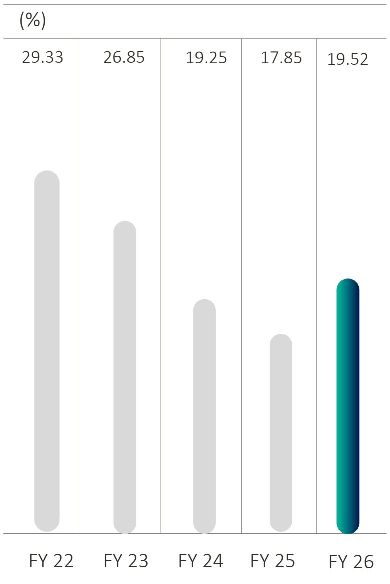
What does it mean?

It ensures that adequate surplus is available for reinvestment in Company's operations

Value impact

The Company reported net profit of Rs 953.24 Mn in FY 26.

EBITDA Margin



Definition

EBITDA margin is a profitability measure used to assess a Company's ability to generate a surplus on a rupee of sales, expressed as a percentage

Why is this measured?

The EBITDA margin provides an insight into the Company's earning capacity, which can be compared across companies within the same sector

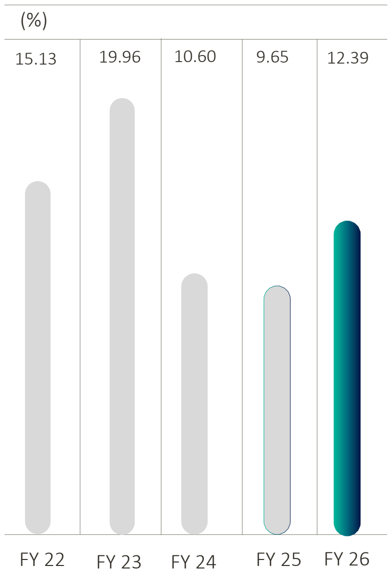
What does it mean?

This demonstrates Company's ability to absorb interest and tax outflow after depreciation

Value impact

The Company has registered an EBITDA margin of 19.52%.

ROCE



Definition

It is a financial ratio that measures a Company's profitability and the efficiency with which its capital employed in the business

Why is this measured?

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

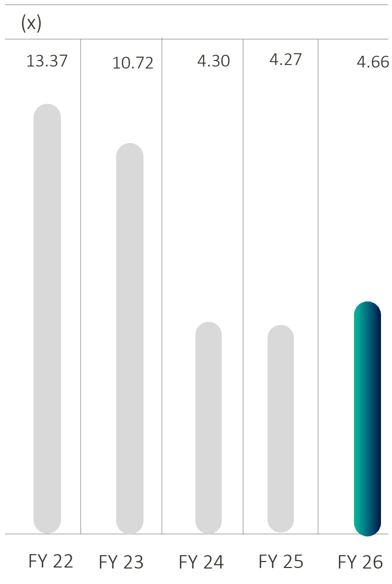
What does it mean?

Enhanced RoCE can influence valuation and perception.

Value impact

The Company's RoCE improved in FY26, driven by higher operating margins and improved utilisation of the existing asset base, supported by operating leverage and the volume ramp-up of new products. RoCE is expected to improve further as capacity utilisation increases and operating leverage strengthens over the coming years.

Interest Coverage Ratio



Definition

This is derived through the division of EBIT by interest outflow

Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better .

What does it mean?

The Interest Coverage Ratio (ICR) indicates how comfortably a company can pay the interest on its borrowings from its operating earnings.

Value impact

The Company's Interest Coverage Ratio improved from 4.27x in FY25 to 4.66x in FY26, driven by higher operating profitability and improved margins, reflecting an enhanced ability to service its finance costs.

Sectorial Revenue break up

Sector	FY 22		FY 23		FY 24		FY 25		FY26	
	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*	Rs. Mn	%*
Clean Energy- Civil Nuclear	457	14.19	438	7.6	619	10.7	184	2.7	236	2.69
Clean Energy- Fuel Cells, Hydro Power & others	2,016	62.61	4,417	77	3,511	60.5	4,169	61.7	6,146	70.16
Aerospace & Defence	564	17.52	645	11.2	587	10.1	932	13.9	1,038	11.84
Products & Others	183	5.68	233	4.1	1,083	18.67	1,475	21.7	1,341	15.31
Total Revenue from Operations	**3,220**		**5,733**		**5,800**		**6,760**		**8,761**	

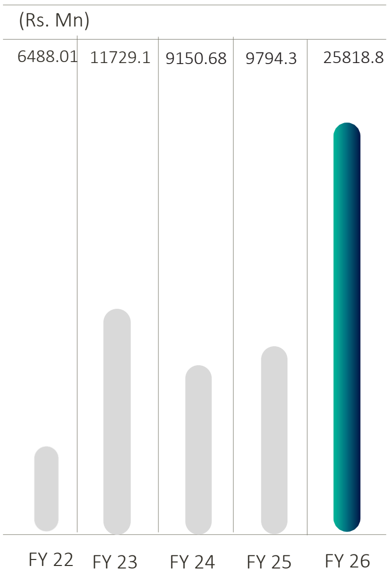
%* represents revenue generated from a sector as a % of revenue from Operations

Driving Sustainable Growth to Create Enduring Value for Stakeholders

Order book

Our order book has posted a CAGR of 31.82% over FY 22 to FY 26 and the closing order book for FY 27 is estimated to witness a significant growth due to anticipated orders across various sectors

Order book value

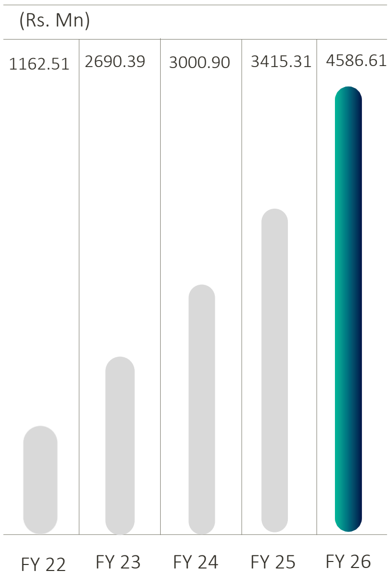


Our robust order book provides strong revenue visibility, supporting sustained growth and profitability

Manufactured Capital

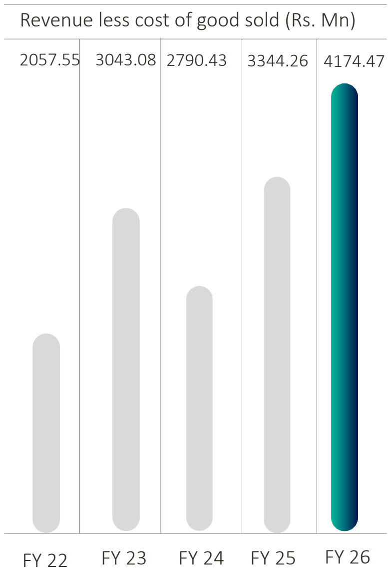
Our assets, manufacturing equipment and technologies constitute our manufactured capital.

Value of Raw Materials



The Company's manufactured value of products stands at Rs. 4586.61 Mn

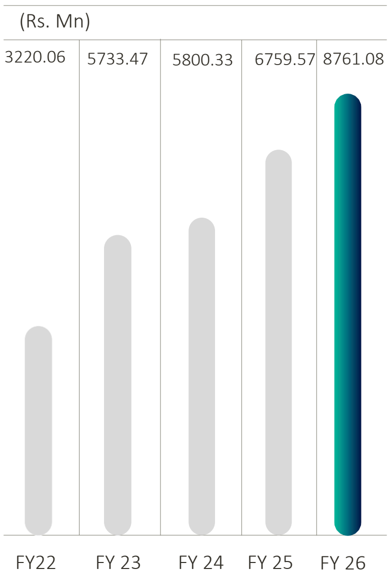
Gross Profit



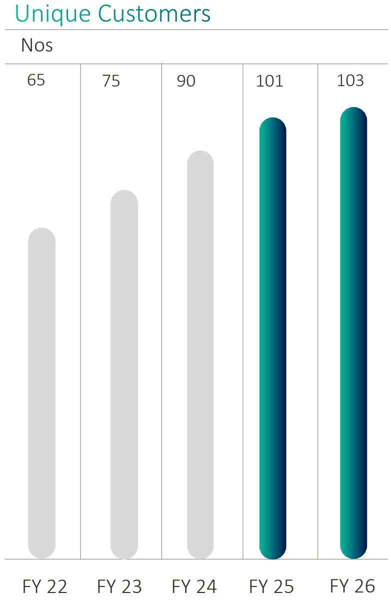
The Company's gross profit stands at Rs. 4174.47 Mn

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible organisation.

Revenue



Unique Customers

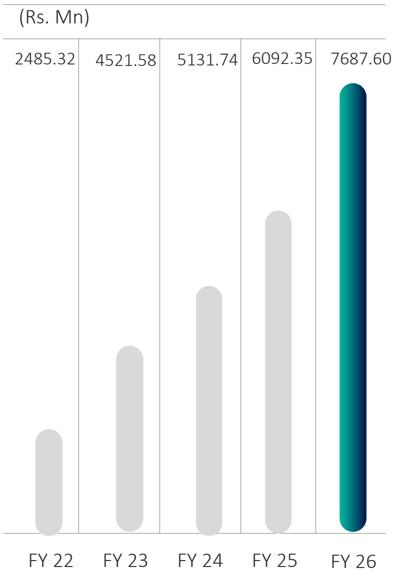


The Company increased revenues, an index of the value created for customers

Human Capital

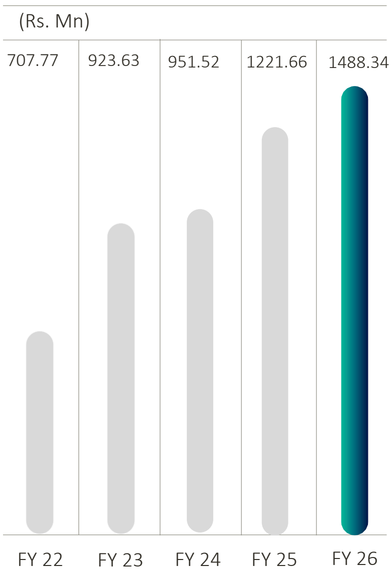
Our management, employees form a part of our workforce, the experience and competence enhancing value.

Total Expenses



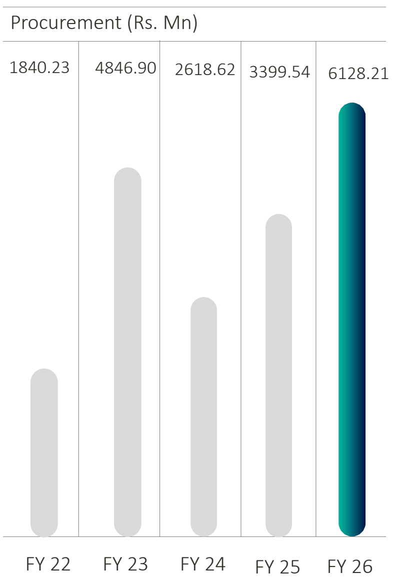
Total expenses have increased in line with the revenue growth

Salaries & Wages



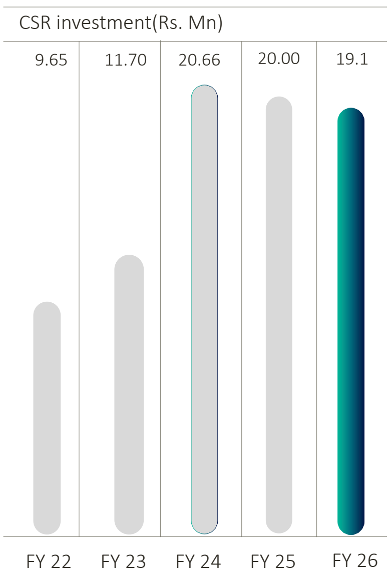
The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer

Vendor Value



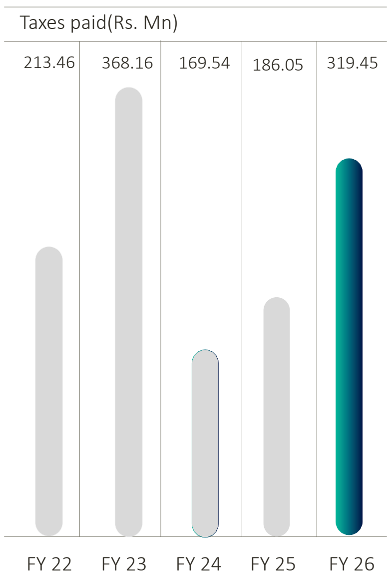
The Company's procurement value nearly doubled in the year under review over the previous fiscal year, supporting the anticipated scale-up in revenues

Community



The Company enriched communities in the geographies of its presence

Government



The Company addressed the timely payments of taxes and other statutory dues

Operational Review

The Company is building the capacities and capabilities required for the next phase of growth

The MTAR management explains operational performance in FY 26 and various key initiatives the Company is working upon

Q 1. How does management view the Company's performance in FY26?

FY26 was another phenomenal year for the Company, as we achieved our highest-ever revenue, in line with our growth trajectory and the guidance provided to our shareholders. We recorded total revenue of Rs. 8761.08 Mn, representing a growth of 29.61% year-on-year, with EBITDA of 1710.55 Mn and PAT of Rs. 953.24 Mn.

However, FY26 was not only about our financial performance; more importantly, it reflected the direction in which the Company is progressing. More than 25% of our revenue was derived from new products developed over the past three to four years, demonstrating our ability to continuously develop new capabilities and translate them into meaningful revenue streams.

During the year, we augmented our baseline capacity in the Clean Energy – Fuel Cells business by approximately 50% to support the growing order book.

We also made progress in our newer growth areas. The Company received first-article orders for data centre infrastructure solutions and successfully delivered first articles to Weatherford, marking an important milestone in our Oil & Gas business. We also witnessed significant order inflows across Civil Nuclear and Fuel Cells, further strengthening our order book and providing visibility for future growth. Importantly, this growth was accompanied by an improvement in the quality of our balance sheet and cash flows. We significantly reduced our net working capital days and strengthened operating cash flows during the year, areas that continue to remain a key management focus. Our balance sheet remains healthy, with term debt of around Rs. 1920 Mn and working capital borrowings of around Rs. 1770 Mn, substantially offset by investments of approximately Rs. 2150 Mn, resulting in a comfortable net debt position.

Overall, FY26 was a year of great progress, marked by robust revenue growth, healthy order inflows, improved operational performance and continued advancement of our strategic priorities. The progress made during the year has further strengthened the foundation for the Company's next phase of growth.

Q 2. Is the company expecting any improvement in the EBITDA margin over the coming years?

We have improved our EBITDA margin in FY 26 compared to FY 25 as our new products entered into volume production and we had an operating leverage. In FY 27, we are expecting the EBITDA margin of 24% primarily driven by operating leverage and operational efficiencies.

As volumes scale, we also expect opportunities to optimise supply-chain costs and enhance capacity utilisation, which should provide additional support to margins.

Over the next two to three years, as our businesses achieve greater scale and the contribution from new products increases, we are targeting a gradual improvement in EBITDA margin towards 26%.

However, our focus will remain on achieving this improvement sustainably while continuing to invest in capabilities and capacities required to support our long-term growth.

The company is targeting to improve EBITDA margins sequentially over the coming years

3. What are the key strategic priorities over the next two years?

Over the next two to three years, our strategic priorities will centre around accelerating topline growth, augmenting capacities, improving productivity, maintaining capital discipline and strengthening cash flows.

Our foremost priority is to accelerate topline growth by scaling our existing businesses, increasing our wallet share with customers and scaling recently developed products into tangible revenue streams. At the same time, we will continue to pursue relavant opportunities across Clean Energy, Aerospace & Defence and Oil & Gas sectors to build additional growth engines for the Company.

To support this growth, capacity augmentation remains a key focus. We are undertaking greenfield and brownfield expansions across our businesses to ensure that the required capacities are available in line with expected customer demand and order visibility.

Alongside capacity creation, we are focused on improving productivity and operational efficiencies through better capacity utilisation, process improvements, automation and supply-chain optimisation. We understand that capital discipline is equally important as we pursue growth. As volumes scale, these initiatives should also support a gradual improvement in operating margins. As we pursue multiple growth opportunities, we will continue to prioritise projects and allocate capital towards areas that offer sustainable growth and attractive returns.

Finally, strengthening cash flows and working-capital efficiency will remain a key management priority. We have made significant progress in reducing net working capital days in FY26 and will continue to focus on improving working-capital cycles and operating cash flows as the business expands.

Overall, our objective over the next two to three years is to scale the business while improving operational efficiency, returns on capital and cash-flow generation, thereby creating sustainable long-term value for our stakeholders.

4. What is the business outlook for FY 27?

We remain optimistic about the business outlook for FY27 and have guided for approximately 80% growth in revenue, with an EBITDA margin of 24% ±100 bps. We expect broad-based growth across our key sectors, including Clean Energy, Aerospace & Defence and other verticals. We also expect significant growth in our Products vertical. Over the past few years, we have invested considerable efforts in developing and qualifying products across diverse sectors for multiple customers. As several of these products transition into volume production, we expect them to contribute meaningfully to our growth in FY27 and beyond.

Order inflows are expected to remain strong across sectors, and we are targeting a closing order book of approximately Rs. 50 Bn in FY27, providing strong visibility for future revenues. At the same time, we are progressing well on our new growth initiatives. We expect to develop and deliver first articles for our data centre infrastructure solutions during FY27, while our new Oil & Gas facility is also expected to become operational during the year.

Capacity augmentation in Clean Energy – Fuel Cells remains another key priority. Phase 2 of the expansion is expected to be completed within the Oil & Gas facility by November, while Phase 3 is targeted for completion by March in a new facility, resulting in a multi-fold increase in our overall capacity. As we gear up for significant growth and expand capacities across our businesses, execution remains our foremost priority. We are strengthening our capacities, supply chain, operational processes and management bandwidth to ensure that we are well positioned to execute our order book and deliver on the opportunities ahead.

Overall, FY27 represents an important year in our journey Towards New Horizons. As our existing businesses ramp up and newer opportunities begin to contribute, we are building the capacities and capabilities required for the next phase of growth, while maintaining our focus on execution, operational efficiency and sustainable value creation.

Q 5. What is the planned CapEx outlook for FY 27 and FY 28?

We are planning a cumulative CapEx of approximately Rs. 5000 Mn across FY27 and FY28 to support the next phase of growth. Of this, majority of CapEx is expected to be earmarked for the phased capacity augmentation of our Clean Energy – Fuel Cells business, while the balance will be deployed across our other sectors to support their growth requirements.

We expect approximately 50% of the planned CapEx to be incurred in FY27, with the balance expected to be incurred in FY28, largely in line with the delivery, installation and commissioning of equipment.

The CapEx programme is being undertaken in a phased manner, aligned with our growth visibility and capacity requirements. At the same time, we will continue to maintain capital discipline and prioritise investments that can support sustainable growth and attractive returns.

Q 6. How does the Company expect to reduce customer concentration over the coming years?

The Company has been consistently working towards diversifying its revenue base by entering new verticals, expanding its product portfolio and developing business with multiple customers. While Clean Energy – Fuel Cells currently represents a significant share of our revenues, the industry itself is witnessing substantial growth, which is translating into higher volumes and revenues for the Company.

At the same time, we envisage strong growth across our other sectors, which should progressively lead to a more diversified revenue mix. Aerospace & Defence has the potential to become a Rs. 5 Bn plus vertical over the next three to four years as several products transition into volume production. In Civil Nuclear, our current closing order book of approximately Rs. 6.5 Bn is expected to be executed over the next 3.5–4 years, providing sustained revenue visibility.

Our newer verticals also offer significant potential. Data centre infrastructure solutions have the potential to scale to Rs. 3.5 Bn plus, subject to successful first-article qualification and subsequent volume ramp-up. Similarly, the new Oil & Gas facility is being developed with the potential to support revenues of Rs. 5 Bn plus over the next five years as products under development move through qualification and into serial production.

In addition to scaling these verticals, we intend to onboard more customers as our Aerospace & Defence and Oil & Gas products transition into volume production, thereby diversifying not only across sectors but also across customers within each sector.

The market opportunity remains favourable across our sectors. Our focus is therefore on timely execution, successful qualification of new products, scaling existing programmes and broadening our customer base. As these businesses achieve greater scale, we expect the Company's revenue mix to become progressively more diversified, reducing customer concentration over the coming years.

FY27 represents an important year in our journey Towards New Horizons. As our existing businesses scale and newer opportunities begin to contribute, we are building the capacities and capabilities required for the next phase of growth. Our focus remains on timely execution, successful qualification of new products, scaling existing programmes and broadening our customer base, while maintaining operational excellence and capital discipline as we pursue the significant opportunities ahead.

Management Discussion & Analysis

Global Economic Overview

Global economic growth is projected at 3.0% in 2026, before improving to 3.4% in 2027

According to the IMF's recent World Economic Outlook Update, global economic growth is projected at 3.0% in 2026, before improving to 3.4% in 2027. The economic outlook, however, remains uneven across geographies, with energy-importing and vulnerable economies facing greater pressure from geopolitical and commodity-market disruptions, while those integrated into global technology value chains continue to benefit from the ongoing technology-led investment cycle.

In addition, inflation remains a key consideration for the economies globally. The IMF projects global headline inflation at 4.7% in 2026, indicating that the disinflationary momentum witnessed since early 2024 has moderated. Nevertheless, global financial conditions remain broadly supportive by historical standards, providing some support to investment and economic activity.

As per the current scenario, the global economic environment is expected to remain shaped by the various factors including geopolitical developments, energy prices, trade policies and rapid technology-led investment. While the global economy is facing uncertainties, continued investment in AI, digital infrastructure, advanced manufacturing and clean-energy technologies is expected to create opportunities across global industrial and technology value chains.

Source: IMF

Regional Growth %	2026E	2025
World Output	3.0	3.5
Advanced economies	1.7	1.9
Emerging and Developing economies	3.8	4.5

Source: IMF

Indian Economic Review

The Indian economy continued to demonstrate strong momentum in FY26, retaining its position among the fastest-growing major economies globally. India's real GDP grew by 7.7% in FY26, supported by resilient domestic consumption, investment activity and broad-based economic growth.

Looking ahead, the IMF projects India's GDP to grow by 6.4% in FY27, while the Economic Survey 2025–26 projects growth in the range of 6.8–7.2%, reflecting the underlying strength of the domestic economy despite an uncertain global environment.

Manufacturing continues to remain central to India's long-term growth strategy. Government initiatives such as Make in India and Production Linked Incentive (PLI) schemes, increasing localisation and continued infrastruc ture investments are strengthening domestic manufacturing capabilities and supporting India's growing participation in global supply chains.

Strategic sectors including Aerospace & Defence and Clean Energy continue to witness increasing investments. The Aerospace & Defence sector is benefiting from greater indigenisation, increasing private-sector participation and a sustained focus on exports. Simultaneously, investments across renewable energy, green hydrogen and nuclear power are strengthening India's energy security and supporting its transition towards a cleaner energy mix.

While geopolitical tensions, energy-price volatility, global trade uncertainties and tariff-related disruptions remain potential headwinds, India's large domestic market, expanding manufacturing ecosystem, infrastructure investments and policy-led reforms are expected to support sustained economic growth over the medium to long term.

Source: Economic Times, IMF

Y-o-Y growth of the Indian economy

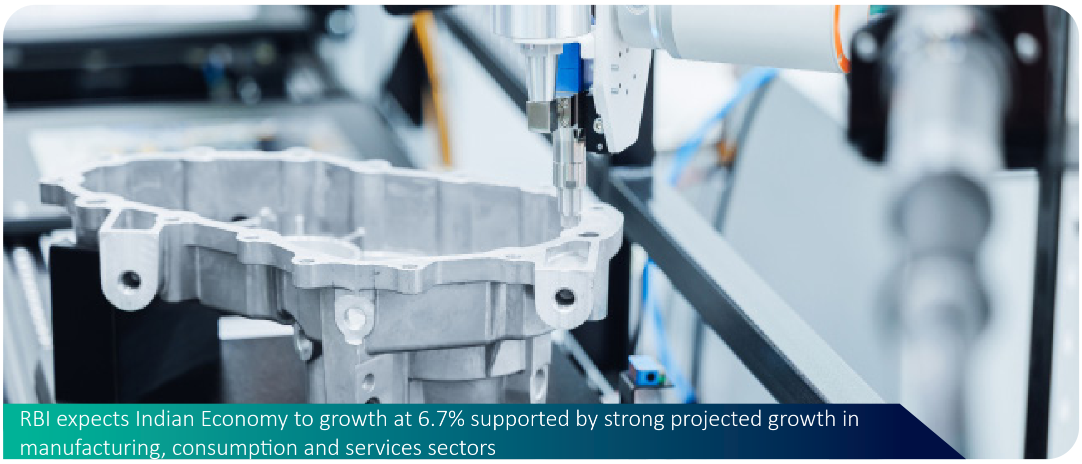
	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Real GDP growth (%)	4.2	6.6	8.7	7.2	8.2	6.5	7.7

Source: Economic Times, IMF

Growth of the Indian economy, FY 26

	Q1 FY 26	Q2 FY 26	Q3 FY 26	Q4 FY 26
Real GDP growth (%)	6.7	8.4	7.8	7.8

Source: Economic Times



RBI expects Indian Economy to growth at 6.7% supported by strong projected growth in manufacturing, consumption and services sectors

Divisional Review

Clean Energy

Clean technologies such as fuel cells, hydropower and wind energy continue to play a critical role in the global transition towards a low-carbon economy. As global economies accelerate their decarbonisation efforts, these technologies are expected to remain integral to reducing carbon footprint and building a more sustainable and resilient energy ecosystem.

The increasing adoption and scale-up of clean technologies are expected to create significant and scalable opportunities across the value chain. Component and assembly suppliers supporting these technologies are consequently well positioned to benefit from increasing investments, expanding and sustained growth in global demand. MTAR aims to increase its market share in various verticals of Clean Energy to contribute to the global transition to renewables to achieve carbon neutrality.

MTAR is expanding its presence across various verticles of clean energy, leveraging its precision engineering capabilities to deliver advanced products and solutions that enable sustainable operations and support the global transition towards a cleaner future

Clean Energy - Civil Nuclear Power

Industry Potential

India remains committed to nuclear power as a source of clean, reliable and round-the-clock electricity, supporting the country's twin objectives of strengthening energy security and advancing sustainable development. Recognising its growing importance in India's future energy mix, the Government has set an ambitious target of achieving 100 GWe of nuclear power capacity by 2047.

India currently operates 24 nuclear power reactors with an installed capacity of 8.78 GWe. With increasing power demand and the country's long-term decarbonisation objectives, nuclear energy is expected to play an increasingly important role in providing stable baseload power while complementing the rapid expansion of renewable energy.

Capacity addition through new reactors

As part of its three-stage nuclear power programme, India operates 24 nuclear power reactors with an aggregate installed capacity of 8.78 GWe. In addition, nine reactor units aggregating approximately 7.5 GWe are under construction, while several other projects are progressing through pre-project and preparatory stages.
The commissioning of the indigenously designed 700 MWe PHWRs at Kakrapar Units 3 & 4 represents an important milestone in India's journey towards technological self-reliance and provides the foundation for the deployment of additional 700 MWe PHWRs across the country.

The Government has also approved 10 indigenous 700 MWe PHWRs aggregating 7 GWe under the fleet-mode programme. These comprise Kaiga Units 5 & 6, Gorakhpur Units 3 & 4, Chutka Units 1 & 2 and Mahi Banswara Units 1, 2, 3 &4. Construction has commenced on Kaiga Units 5 & 6, while the remaining fleet-mode reactors are progressing through various pre-project and preparatory stages. Further, NPCIL has submitted proposals to the Government for 10 additional 700 MWe PHWRs at KAPS 5 & 6, RAPS 9 & 10, NAPS 3 & 4 and Bhirampur 1, 2, 3& 4. The continued expansion of India's indigenous PHWR programme presents a sizeable long-term opportunity for the domestic nuclear manufacturing and supply-chain ecosystem

India is also pursuing large-scale nuclear capacity addition through collaboration with international players. The proposed Jaitapur Nuclear Power Project in Maharashtra, being pursued in cooperation with France, envisages the development of six large European Pressurised Reactors (EPRs). Once implemented, the project would represent a significant addition to India's nuclear generation capacity and create opportunities across the highly specialised nuclear supply chain, which is characterised by stringent qualification requirements and high barriers to entry.

Another significant milestone was achieved recently, when India's indigenously developed 500 MWe Prototype Fast Breeder Reactor (PFBR) at Kalpakkam achieved first criticality, marking significant progress towards the second stage of India's three-stage nuclear power programme. The PFBR is expected to be commissioned by Dec 2026 and government has initiated pre project work for FBR 1 and 2.

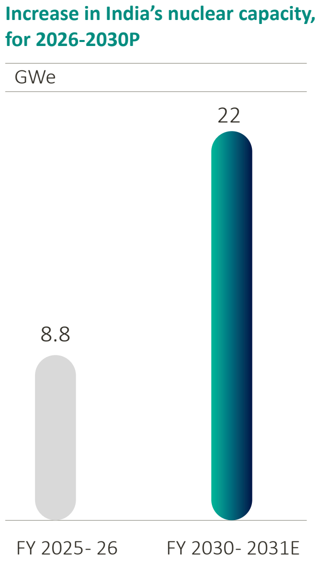
Refurbishment of reactors

To uphold the highest standards of nuclear safety and operational excellence, each reactor in India's nuclear fleet undergoes refurbishment of critical systems upon reaching its design life milestone of approximately 16 years. These life extension initiatives are essential to ensure the continued safe, reliable, and efficient performance of nuclear power plants across the country. The Nuclear Power Corporation of India Limited (NPCIL) has floated the procurement of critical assemblies required for refurbishment of RAPs 2 and MAPs 2 reactors, the contracts shall be awarded in FY 27. These refurbishment of reactors unlock significant market opportunities for domestic equipment manufacturers and technology providers, particularly in the supply of critical reactor systems and components, further reinforcing the vision of Atmanirbhar Bharat in the nuclear sector.

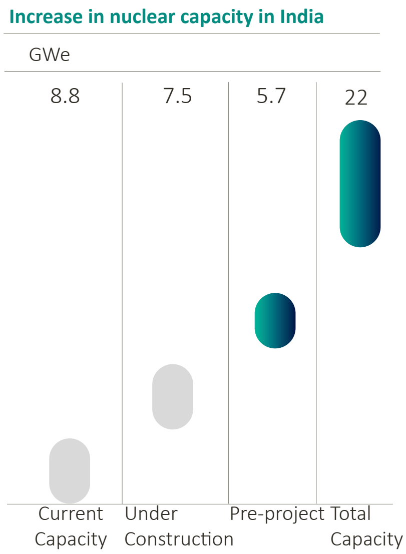
SMRs

The government has announced the establishment of a Rs 200 Bn. Nuclear Energy Mission for the research and development of small modular reactors (SMRs),with a target of operationalising at least five indigenously developed SMRs by 2033. This strategic push is part of broader efforts to accelerate the growth of atomic power in India, supported by amendments to the legal framework to facilitate greater participation from private sector players. These developments are expected to create significant opportunities across the nuclear value chain, particularly for qualified players with established capabilities in the sector.

Source: NPCIL, World Nuclear Association, CRISIL Research



Source: NPCIL, Government of India



Source: NPCIL, Government of India

Opportunity for MTAR

MTAR specializes in supplying fuel handling systems for the core of the nuclear island that are functionally critical assemblies of nuclear reactor. Currently, it provides 15 different products essential to the nuclear island and possesses the capability to fulfill the entire core equipment requirements. With the commissioning of its new fabrication facility, the Company is now qualified to manufacture additional key products, including End Shield and Calandria. Reflecting this expanded capability, the Company has actively participated in tenders for several of these new products, thereby broadening its product portfolio and strengthening its market presence.

The Company's manufacturing capacity enables it to address orders from up to four reactors simultaneously, allowing it to efficiently support both new reactor construction and refurbishment projects. It supplies specialized products for the core of the nuclear island—such as fuel machining heads, bridge and column assemblies, drive mechanisms, coolant channel assemblies, and more, not only for new pressurized heavy water reactors but also for the refurbishment of existing reactors, positioning the Company as a key player across the entire reactor lifecycle.

The Company received Rs. 5040 Mn of orders from Kaiga 5 & 6 reactors.

In addition, approx. 1500 Mn of orders are expected in FY 27 from reactors that are identified for refurbishment.

Furthermore, ongoing maintenance requirements for operational reactors are expected to generate annual maintenance orders valued between Rs. 100–200 million, contributing to a steady revenue stream and long-term client engagement.

Source: NPCIL, World Nuclear Association, CRISIL Research

The company has recieved Rs. 5040 Mn orders for core of the island assemblies for Kaiga 5 & 6 reactors

Tenders for the four nuclear reactors proposed at Mahi Banswara are expected to be floated during FY27.

Under-construction reactors	Construction start	State	Type	Gross capacity (Gwe)
PFBR	2004	Tamil Nadu	FBR	0.5
Rajasthan 7 & 8	2011	Rajasthan	PHWR	1.4
Kudankulam 3, 4, 5 and 6	2017	Tamil Nadu	PWR	~4.0
Gorakhpur 1 & 2	2018	Haryana	PHWR	1.4
Kaiga 5&6	2026	Karnataka	PHWR	1.4

Source: NPCIL, World Nuclear Association, CRISIL Research

New reactors planned	State	Type	Gross capacity (Gwe)
Gorakhpur 3 & 4	Haryana	PHWR	1.4
Chutka 1 & 2	Madhya Pradesh	PHWR	1.4
Mahi Banswara- 1, 2, 3 & 4	Rajasthan	PHWR	2.8
Kaiga 5&6	Karnataka	PHWR	1.4
Kudankulam- 7 & 8	Tamil Nadu	PWR	2.0

Source: NPCIL, World Nuclear Association, CRISIL Research

Key Products

- Fuelling Machine Head
- FM Bridge & Column
- Fuel Transfer System
- Coolant Channel Assemblies and other products
- Ball Screws
- Water Lubricated Bearings
- Ram head Assemblies
- Drive Mechanisms

Clean Energy - Fuel Cells

Fuel Cells Industry Potential

The global fuel cell industry is witnessing a robust growth, driven by increasing demand for clean, efficient and distributed power solutions. Global decarbonisation initiatives, growing electricity demand, and technological advancements are accelerating the adoption of fuel cells across stationary power, transportation, and industrial applications.

Fuel cells generate electricity through an electrochemical process using fuels such as hydrogen, natural gas, among others. Their high efficiency, modularity and ability to provide continuous distributed power make them specifically suitable for applications requiring continuous power generation with high reliability. Continued advancements in materials, system design and manufacturing processes are also improving their commercial viability, thereby enabling them to capture greater market share.

Solid Oxide Fuel Cells – Fastest Growing Market

Among various fuel-cell technologies, Solid Oxide Fuel Cells (SOFCs), which can utilise methane as a fuel to generate electricity, are gaining prominence in stationary power applications owing to their high efficiency and ability to provide continuous power. The technology is increasingly finding applications across commercial and industrial facilities, utilities and, more recently, data centres, where demand for reliable, distributed and rapidly deployable power is growing significantly.AI-Powered Data Centres – A Significant Growth Driver

The rapid expansion of AI and cloud computing infrastructure is driving unprecedented growth in data-centre electricity requirements. At the same time, constraints in existing power grids and extended grid-interconnection timelines are emerging as critical challenges for developers, particularly in the US. According to Rystad Energy, grid-interconnection timelines for large loads in the US have increased significantly and can now extend to approximately three to six years, prompting data-centre operators to increasingly evaluate dedicated on-site power generation.

Fuel cells are emerging as one of the solutions to this challenge due to their combination of continuous power availability, modular scalability and relatively rapid deployment. Certain commercially available SOFC systems can provide on-site power in as little as 90 days, enabling data-centre developers to accelerate the deployment of computing capacity without waiting for lengthy grid connections or large-scale generation infrastructure. This speed-to-power advantage is particularly relevant for AI-powered data centres, where access to electricity is increasingly becoming a critical factor determining the pace at which new capacity can be brought online.

Compared with large conventional generation projects, which can involve significantly longer development and commissioning timelines, modular fuel-cell systems can be deployed progressively alongside increases in data-centre capacity. This provides developers with greater flexibility to align power availability with the rapid scaling of AI computing infrastructure.

According to Rystad Energy, revenues from the data-centre fuel-cell market are projected to increase nearly tenfold, from approximately USD 2.8 Bn in 2025 to around USD 30 Bn by 2030, driven largely by the rapid expansion of AI-led data-centre infrastructure. The sector has a contracted order book of approximately 9 GWe, including framework agreements involving major companies such as Oracle, AEP, Equinix and Brookfield, indicating growing industry confidence in fuel cells as a long-term power solution.

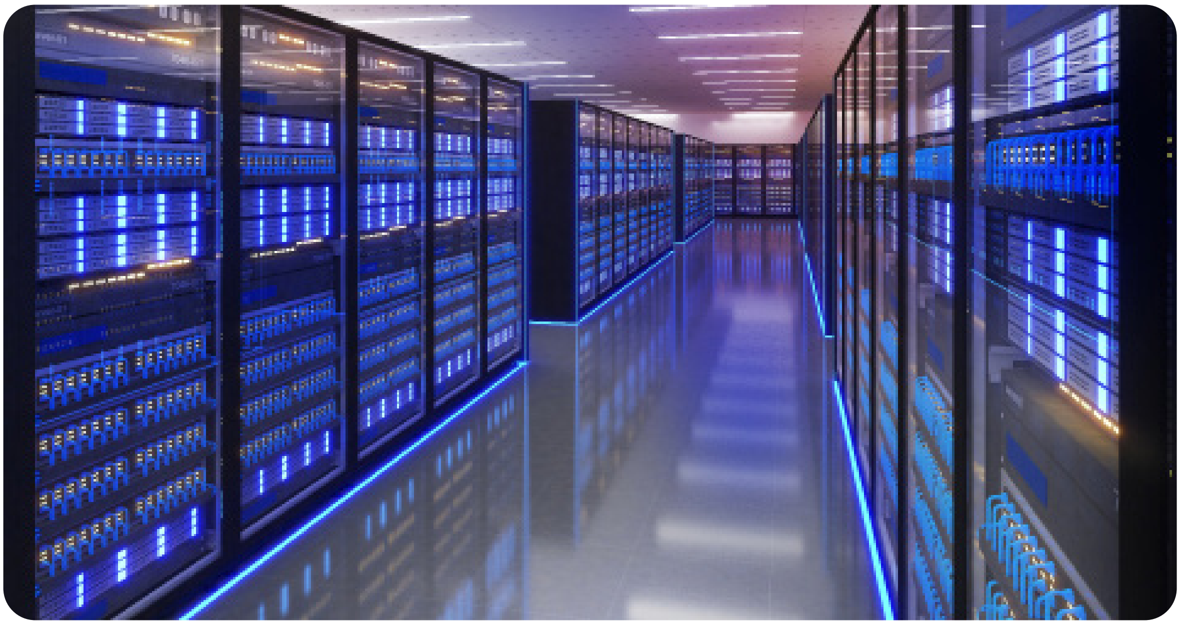
Rystad Energy further projects approximately 10.4 GWe of cumulative fuel-cell demand from data centres between 2026 and 2030. Around 40% of projected US data-centre capacity in 2030 is modelled as likely to pursue dedicated on-site power generation rather than relying solely on conventional grid connections. North America is expected to account for approximately 91% of global installed on-site power-generation capacity, supported by grid constraints, policy incentives and an established domestic supply chain. `The growing opportunity is also translating into capacity expansion across the f uel-cell industry.

Opportunity for MTAR

The Company supplies critical components and assemblies for SOFCs and is well positioned to benefit from strong industry tailwinds and growing customer demand.

Source: industry, Rystad Energy, Rabobank Research

Data Center Infrastructure Solutions



Data Centres Infrastructure Solutions Industry Potential

The rapid expansion of Artificial Intelligence (AI), cloud computing and high-performance computing is driving significant investment in data centre infrastructure globally. According to McKinsey, cumulative investment in data centres worldwide could reach nearly USD 7 trillion by 2030, including approximately USD 5.2 trillion required to support AI-related workloads alone.

The growth in AI computing is fundamentally changing the power and thermal requirements of data centres. Energy-intensive AI infrastructure is driving increasing demand for equipment ranging from transformers, electrical distribution and power-management systems to advanced cooling and thermal-management solutions. According to Bank of America estimates cited by Reuters, power consumption per AI rack could increase to more than 1.5 MWe by the end of 2030, nearly 100 times the power consumption of a conventional rack. As power density increases, the corresponding requirement for efficient cooling and thermal-management systems

According to Bank of America estimates cited by Reuters, power consumption per AI rack could increase to more than 1.5 MW by the end of 2030, nearly 100 times the power consumption of a conventional rack. As power density increases, the corresponding requirement for efficient cooling and thermal-management systems is also expected to rise significantly.

This is creating opportunities for specialised equipment manufacturers across the data centre infrastructure value chain. Power availability, cooling capacity and speed of deployment are increasingly becoming critical considerations for data centre developers, resulting in growing adoption of prefabricated and modular infrastructure solutions that can be manufactured offsite and rapidly integrated at the project location.

The emerging opportunity is reflected in the strategic expansion of global engineering and energy-technology companies into this segment. SLB, for instance, has established a dedicated Data Center Solutions business providing modular infrastructure across power delivery, electrical systems and cooling. Its portfolio includes modular server-hall infrastructure integrating power, networking and cooling; Central Utility Buildings housing chillers and air- and liquid-cooling equipment; and modular electrical rooms housing medium- and low-voltage switchgear. SLB states that its modular approach can compress deployment timelines by up to 40% compared with traditional site-built construction.

SLB has also expanded its collaboration with NVIDIA, becoming the modular design partner for NVIDIA DSX AI factories, while continuing to scale its manufacturing capabilities to address growing demand for AI infrastructure.

The increasing participation of global engineering companies in this segment reflects the significant long-term opportunity emerging across power, cooling, modular infrastructure and associated equipment.

As global data centre capacity expands and AI workloads become increasingly power-intensive, the need to improve power efficiency, cooling efficiency and the overall environmental performance of data centres is expected to become increasingly important. This is creating opportunities for the development of more energy-efficient and lower-carbon data centre infrastructure, while providing a significant long-term opportunity for precision engineering companies capable of manufacturing critical components and assemblies for complex power, cooling and modular infrastructure systems

Opportunity for MTAR

The Company has expanded its Low Carbon Solutions portfolio into data centre infrastructure solutions and has received first-article orders from SLB for the manufacture of sheet-metal components and assemblies. Upon successful qualification of first articles, this opportunity has the potential to develop into a scalable revenue stream for the Company, supported by increasing investments in AI data centres and the growing requirement for efficient power, cooling and modular infrastructure solutions.

Source: industry, Economic Times

Clean Energy - Hydro Power, Wind Energy & Others

Market Potential - Hydro Power

Hydro Power remains an important pillar of the global clean-energy transition, providing reliable, flexible and low-carbon electricity while supporting the integration of intermittent renewable sources such as solar and wind. Its ability to provide dispatchable generation and grid-balancing services is becoming increasingly important as the share of variable renewable energy in the global power mix continues to rise.

In the Indian context, hydropower is seen as a key enabler in the nation's transition away In India, hydropower is expected to play an increasingly important role in strengthening energy security and facilitating greater integration of renewable energy into the grid.

Wind Energy

Wind energy continues to gain prominence as a key component of India's transition towards a cleaner and more diversified energy mix. India's installed wind-power capacity reached approximately 58.1 GW as of July 2026, supported by strong capacity additions and an expanding project pipeline. Wind generation is particularly complementary to solar power, with differences in generation profiles helping improve renewable-energy availability beyond daylight hours and supporting greater stability in the power system.

Opportunity for MTAR

The Company is catering to customers such

The Company is catering to customers such as Andritz, Voith, GE Power, among other by supplying complex fabricated products including draft tubes, spiral casings, rotor and stator assemblies etc. The customer in Hydro Power and Wind Energy sectors are projecting strong demand that is going to translate into steady growth for the company

Source:industry, Economic Times

Oil & Gas

The global oil and gas industry continues to play a critical role in meeting the world's growing energy requirements, notwithstanding the accelerating transition towards renewable and low-carbon energy sources. Rising energy consumption across emerging economies, driven by industrialisation, urbanisation and economic growth, continues to support demand for oil and natural gas across transportation, power generation and industrial applications. continued investments in exploration, production and energy infrastructure are supporting demand for specialised equipment, technologies and services across the upstream and midstream oil and gas value chain.

The technically demanding operating environment of the oil and gas industry requires equipment capable of withstanding high pressures, temperatures and corrosive environments, creating opportunities for qualified engineering and manufacturing companies capable of meeting stringent material, quality and performance requirements. Leading global oilfield-services and energy-technology companies such as SLB and Weatherford are positioned across multiple parts of the oil and gas value chain and continue to support customers through technologies, equipment and services aimed at improving drilling, production and reservoir performance. Sustained investment by oil and gas producers is therefore expected to translate into corresponding opportunities across the specialised equipment and precision-engineering supply chain.

Opportunity for the Company

The Company is expanding its presence in the Oil & Gas sector by leveraging its precision-engineering capabilities to develop critical components and assemblies for leading global oilfield-services companies. The Company has delivered the first articles for Weatherford and working on the Class A components for SLB. Successful qualification and subsequent transition to serial production are expected to provide the Company with opportunities to increase its share of business with these global customers and progressively expand its Oil & Gas product portfolio.

Source:industry, Economic Times

Aerospace and Defence

Indian Space Industry Market Potential

India has emerged as an increasingly important participant in the global space ecosystem, supported by its cost-effective launch capabilities, indigenous satellite technologies and successful scientific and interplanetary missions. India's space economy, currently estimated at approximately USD 8.4 billion and accounting for around 2% of the global space economy, is targeted to expand to approximately USD 44 billion by 2033, including a significant increase in space exports

The Indian Space Research Organisation (ISRO) has established a distinct position in the global space ecosystem through its track record of cost-effective and technologically advanced space missions. Its capabilities span satellite development, launch vehicles, lunar and interplanetary exploration, space science and commercial launch services. ISRO has so far undertaken 135 spacecraft missions and 105 launch missions, while also launching 434 foreign satellites, underscoring India's growing capabilities in the global space ecosystem.

ISRO has developed a diversified portfolio of indigenous launch vehicles, including the Polar Satellite Launch Vehicle (PSLV), Geo-synchronous Satellite Launch Vehicle (GSLV) and Launch Vehicle Mark-3 (LVM3). These capabilities have progressively reduced the country's dependence on overseas launch services while enabling India to emerge as a reliable launch partner for domestic and international satellite missions.

India's space programme has achieved several landmark milestones in recent years. Chandrayaan-3 made India the first country to successfully land near the Moon's south polar region, while Aditya-L1 marked India's first dedicated solar observatory mission. The NASA-ISRO NISAR mission, launched in July 2025, further demonstrated India's growing capabilities in international space collaboration. ISRO is now progressing towards the Gaganyaan human spaceflight programme, which represents the next major milestone in India's space journey.

The Indian space sector is also undergoing a significant structural transformation, with the Government encouraging greater private-sector participation across launch vehicles, satellites, components, propulsion systems and space-based services. ISRO is progressively transferring production and operational activities for mature systems to industry, enabling it to focus increasingly on research & development and future missions.

Opportunity for MTAR

The Company has been a trusted partner for over four decades. It has been a strategic partner to ISRO in the development of precision engineered sub sytems for PSLV and GSLV programs, including liquid propulsion rocket engines (such as the Vikas engine for PSLV), cryogenic engine sub-systems, electro-pneumatic modules, and more. These products are integral to ISRO's flagship missions like Chandrayaan-3 and Aditya-L1 mission. The Company is also involved in manufacturing critical structures, such as grid fins, for the upcoming Gaganyaan human spaceflight With ISRO's increasing focus on commercial launches and the rising frequency of missions, the Company is well-positioned to benefit from a higher volume of orders in the coming years.

In line with its growth strategy, the Company is also working to expand its share of ISRO's procurement. The company has delivered actuators for ground test applications recently, which is a new product.

Source: industry, Economic Times, ISRO

Key Products

- Vikas Engines
- Cyrogenic Upper Stage Engine assemblies including Turbo Pump, Booster Pump and Gas Generator
- Actuator assemblies

Key Products Under development

- Valves for ground test applications

MNC Aerospace & Defence

MNC Aerospace industry analysis

India's defence and aerospace sectors are undergoing a significant transformation, supported by the Government's sustained focus on strengthening indigenous manufacturing, enhancing domestic capabilities and expanding defence exports. The Government of India has set ambitious targets to scale annual defence production to Rs. 3,000 billion by FY29 and defence exports to Rs. 500 billion, reflecting India's growing ambition to emerge as a major defence manufacturing hub and an integral part of global defence supply chains.

Flagship programmes such as the Advanced Medium Combat Aircraft (AMCA) and Tejas Mk2 reflect India's advancing capabilities in the indigenous design and development of sophisticated defence platforms. These programmes are being supported by sustained policy initiatives, increased investments in R&D and greater participation of the domestic private sector.

A key focus of India's indigenisation efforts is the development of sovereign aero-engine capabilities, an area that is strategically important for achieving greater self-reliance in advanced combat aircraft. The Government has reiterated its commitment to developing next-generation aero engines domestically and building a robust indigenous ecosystem around this critical technology. Global aero-engine majors including Safran and Rolls-Royce have expressed interest in partnering with India for the development of high-thrust engines, with proposals encompassing joint development, manufacturing and transfer of critical technologies.

Such programmes, if progressed, could create significant opportunities for the Indian aerospace supply chain across precision-engineered components, advanced materials, engine sub-assemblies, manufacturing, testing and lifecycle support. The domestic aero-engine ecosystem is also gaining momentum through ongoing collaborations. HAL and Safran have commenced the development and production programme for the indigenous Aravalli engine for India's next-generation military helicopters. Such initiatives are expected to progressively deepen domestic manufacturing capabilities, enhance technological know-how and expand opportunities for Indian companies to participate in increasingly complex and high-value aerospace programmes.

Further strengthening the broader indigenisation drive, in August 2026, the Raksha Mantri approved the transfer of DRDO-developed technologies for all conventional missile systems to the Indian defence industry for domestic production. The initiative is expected to accelerate the transition of indigenous technologies from development to industrial-scale production, enhance domestic value addition and create greater opportunities for Indian manufacturers, MSMEs and technology partners across the defence supply chain.

In addition, global MNCs are increasingly looking to expand their supplier base in India. The perception of India is evolving beyond that of a cost-effective manufacturing destination, with greater emphasis on quality, engineering capabilities and world-class manufacturing infrastructure. This shift positions Indian suppliers with advanced facilities and proven capabilities to capture a larger share of global sourcing opportunities.

Opportunity for MTAR

The Company established its MNC Aerospace division in 2018, initially serving global OEMs such as Rafael and Elbit Systems. Over time, it has significantly expanded its onboarding renowned clients including GKN Aerospace, Thales, Thales Alenia Space, Israel Aerospace Industries (IAI), and Collins Aerospace, among others. With first article deliveries completed, the Company has entered the volume production phase for select programs, and will progressively ramp up production for other customers in a phased manner. Backed by a robust order book and maturing client relationships, the Company is projecting a 45–50% revenue growth in the MNC Aerospace vertical over the next five years.

In the domestic defence segment, the Company continues to strengthen its leadership in high-precision, mission-critical engineered products, such as canisters, magnesium gearboxes, airframes, Wing kit assemblies and various other structural assemblies. The Company has successfully delivered 5-ton and 10-ton actuators for the LCA Tejas program and is poised to receive volume orders in the future. It has also recently commenced development of combustor assemblies for the Scramjet Engine, marking its foray into next-generation propulsion technologies.

With increasing emphasis on indigenisation, supportive government policies, and expanding domestic defence outlays, the Company anticipates strong order inflows in the upcoming quarters across multiple platforms, supported by its proven execution capabilities, deepening engineering expertise, and long-standing customer relationships.

Source: Economic Times, CRISIL Research

Key Products - MNC Aerospace

- Aerostructures
- Metallic Boxes
- Engine Parts
- Drone Equipment
- Housings

Key Products - Domestic Defence

- Magnesium Gear Boxes for Helicopters
- Actuation Systems
- Aerostructures
- Valves
- Canisters
- Airframes
- Engine Sub Systems

Opportunities and threats

Clean Energy Civil nuclear:

The Company continues to strengthen its positioning across multiple clean energy verticals, aligned with global and domestic efforts towards carbon neutrality. In the civil nuclear segment, the Government of India's fleet-mode reactor programme is translating into tangible opportunities, with orders for Kaiga 5 & 6 already awarded and tenders for four reactors at Mahi Banswara expected during FY27. Further tenders for upcoming reactors are anticipated over the coming years. With established capabilities in critical nuclear island core assemblies that require stringent qualification standards, the Company is well positioned to participate in the sector's long-term growth.

.

Clean Energy Fuel cells, Hydel, Wind and Others:

Global governments are emphasizing renewable energy sources to achieve carbon neutrality by 2050. Fuel cells are efficient energy sources; significant growth is expected in this segment due to strong industry tailwinds, boosting Company's revenues. The Company is one stop solution provider for mechanical systems for SOFC fuel cells to a US based customer.

The Company intends to further expand its presence in the Clean Energy sector and has commenced the fabrication of critical structures for Hydropower, Wind Energy,

Building on these capabilities, the Company continues to expand its presence across other clean energy verticals, including its entry into data centre energy infrastructure solutions, alongside the fabrication of critical structures for hydropower and wind energy applications. The opportunities in this segment represent a lucrative market potential for advanced equipment manufacturing, reinforcing the Company's long-term growth strategy.

Aerospace and Defence

Space:

ISRO's launches might increase as the market share of India in the Global Space economy valued at USD 400 Bn is projected to increase from 2% to 8% by 2033. Vikas Engines and electro-pneumatic modules supplied by MTAR are used in all the launch vehicles where as cryogenic upper stage systems are used in GSLV.

Increased launch activity from ISRO is expected to enhance order volumes for the Company. Its advanced sheet metal facility enables it to pursue new opportunities such as motor casings, thrust chambers, and light alloy structures. The Company has recently delivered actuator assemblies for ground support applications and is also engaged in the development of space-grade valves on a built-to-specification basis.

Defence:

The Government of India has set a bold target of Rs. 500 billion in defence exports by 2029, alongside a projected Rs. 3,000 billion in total defence production by 2029–30, underscoring its strong commitment to becoming a premier exporter of defence systems. In addition, a growing number of global OEMs and MNCs are keen to collaborate with Indian industry partners, creating significant opportunities for the Company to expand its role in the Indian defence sector.

The Aerospace and Defence sector presents significant opportunities across propulsion systems, aerostructures, and allied products. MTAR has been a trusted supplier of airframes, canisters, wing kit assemblies, and base shroud assemblies for various domestic and global programs, demonstrating its strong capabilities in precision manufacturing. With these credentials, the Company is well positioned to capitalize on the sector's robust growth trajectory.

However, any deviation in industry growth trends could have an impact on future revenues, and pose a threat to our growth trajectory.

`

Company overview

MTAR Technologies is a leading manufacturer in India's niche precision manufacturing industry. The Company is engaged in the manufacture of mission critical precision engineered systems for Clean Energy- Civil Nuclear Power, Fuel Cells,Hydro Wind, Space and Defence sectors . The Company emerged as a market leader due to its contribution to the Indian civilian nuclear power programme, Indian space programme, Indian defence, global defence as well as global clean energy sectors. The Company is respected for having invested in state-of-the-art facilities comprising machining, assembly, specialised fabrication, painting and special process facilities. The Company's clients comprise ISRO, DRDO, Bloom Energy, Andritz, GE Power, Voith, Rafael, Elbit, GKN Aerospace, IAI, Thales among others. Owing to a complex product portfolio for strategic sectors, MTAR is one of the top three suppliers that provide precision engineering requirements to the Indian Civil Nuclear Power, Space and Defence sectors.

Segment wise or product wise performance

The Company does not operate in the manner of different business segments. However, we do measure revenues based on various customer segments. Revenue from exports stands at 83% of total revenue from operations in FY 26 as against 79% of total revenue from operations in FY 25. Approx. Rs. 2400 Mn of revenue is derived from new products developed over the past 2-3 years across diverse segments

Sector	Revenue generated from customers in FY 2025 - 26 (Rs. Mn)	Revenue generated from customers in FY 2024 - 25 (Rs. Mn)
Clean Energy- Civil Nuclear Power	236	184
Clean Energy- Fuel Cells & Others	6146	4169
Aerospace & Defence	1038	932
Products and Others	1341	1475
Total	**8761**	**6760**

Financial overview

Analysis of the profit and loss statement

Revenues:
Revenues from operations reported at Rs. 8,761.08 Mn in FY 26 compared to Rs. 6,759.57 Mn in FY 25 . Increase in revenue from operation is 29.61% compared with FY 25.

Expenses:
Total expenses increased by 26.18% from Rs. 6,092.35 Mn in FY 25 to Rs. 7,687.60 Mn. Cost of materials consumed, accounting for 57.46% share of the Company's revenues, increased by 44.45% from Rs. 3,485.05 Mn in FY 25 to Rs. 5,034.25 Mn in FY 26 owing to an Change in the product mix of exports and domestic revenues and Other products. Employees expenses, accounting for a 16.99% share of the Company's revenues, increased by 21.83% from Rs. 1,221.66 Mn in FY 25 to Rs. 1,488.34 Mn in FY 26. Finance costs of the Company remained same in line with increased material consumption and increased revenue. Increased from Rs. 221.60 Mn in FY 25 to Rs. 293.44 Mn in FY 26.

Other expenses of the Company increased by 6.50% from Rs.916.04 Mn in FY 25 to Rs. 975.58 Mn. Increase in others expenses is due to Increase in Out sourcing manpower and Power & Fuel costs.

Analysis of the Balance Sheet
Sources of funds

The Equity capital employed by the Company increased by 13% from Rs. 7,307.19 Mn as on March 31, 2025 to Rs. 8,256.82 Mn as on March 31, 2026. Trade Payables increased from Rs. 1,051.41 Mn as on March 31, 2025 to Rs. 1,490.22 Mn as on March 31, 2026.

Applications of funds

PPE (gross) of the Company primarily increased by 15.81% from Rs. 5,586.83 Mn as on March 31, 2025 to Rs. 6,469.93 Mn as on March 31, 2026 owing to an investment in Capex to Increase the capacities in all units as per requirements.

Depreciation on tangible assets increased by 4.51% from Rs. 310.08 Mn in FY 25 to Rs. 324.07 Mn in FY 26 owing to an fixed assets added during the year under review.

Working capital management

Current liabilities of the Company increased by 153.06% from Rs. 2,866.04 Mn as on March 31, 2025 to Rs. 7,252.85 Mn as on March 31, 2026, due to increase in trade payables and advance received from customers. The Current Ratio of the Company stood at 1.56 at the close of FY 26 compared to 2.15 at the close of FY 25. Inventories including raw materials, work-in-progress and finished goods, among others, increased by 44.65% from Rs. 3,452.62 Mn as on March 31, 2025 to Rs. 4,994.22 Mn as on

March 31, 2026. Company dispatched items of long lead time projects and reduced inventory levels with better inventory planning. The inventory cycle is 208 days of turnover equivalent in FY 26 compared with 186 days of turnover equivalent in FY 25.

Company received the trade receivable within due date. Trade receivable increased from Rs. 2,094.43 Mn as on March 31, 2025 to Rs. 3,365.72 Mn as on March 31, 2026. All receivables were secured and considered good and 90% of receivables are not overdue. The Company contained its debtor's turnover cycle within 140 days of turnover equivalent in FY 2026. Cash and bank balances of the Company increased from Rs. 166.00 Mn as on March 31, 2025 to Rs. 211.21 Mn as on March 31, 2026.

Other Current Assets increased by 45.20% from Rs. 376.89 Mn as on March 31, 2025 to Rs. 547.25 Mn as on March 31, 2026 account of increase in advance payments made to suppliers.

Margins

The EBITDA margin of the Company increased from 17.85% in FY 25 to 19.52% in FY 25. while net profit margin of the Company increased from 7.97% in FY 25 to 10.9% in FY 26.

Key Ratios

Particulars	2025-26	2024-25	Remarks
Debtor's turnover ratio	3.21	3.80	Our debtors turnover ratio is increased due increase in sales during the quarter end of the year under review.
Inventory turnover ratio	1.09	0.99	The decrease in ratio is due to better inventory movement compared with the previous year.
Debt service coverage ratio	3.40	2.31	The increase in Debt service coverage ratio is due to increase in net profits during the year under review.
Current ratio	1.56	2.15	The current ratio of Company decrease is due to increase in borrwoings and other current liabilities.
Debt-equity ratio	0.45	0.24	Increase in ratio is due to increase in the borrowings for procurement of property, plant and equipment.
Return on capital employed	12.39%	10.11%	Our ROCE has seen increased in FY 26 compared with FY 25 indicating an improvement in generating returns from the capital employed during the current year.
Net profit margin (%)	10.88%	7.97%	Our net profit margin increased compared with last year indicates an improvement in the company's overall profitability
Return on Net worth	**12.25%**	**7.65%**	The improvement indicates enhanced profitability and more effective utilisation of the Company's equity base, resulting in better value creation for shareholders

Risks and concerns

Identifying and assessing risks is crucial for understanding the relationship between different types of risks and the cascading impact they may have on the organisation's strategic goals.

Any delays in manufacturing and inspection activities can postpone project execution, thereby impacting revenues and margins. For instance, some inspection delays from customers due to geopolitical scenario in Q4 FY 26 has affected our topline slightly. Such events continue to pose a potential threat to revenues in the future as well. Similarly, since the Company imports the majority of raw materials, any supply chain disruptions could adversely affect revenues. Global geopolitical developments may also result in raw material procurement delays, labour shortages, and customer clearance bottlenecks, further affecting business performance.

To address these challenges, the Company adopts diligent procurement and production planning and follows a defined and comprehensive risk management process, fully integrated with its operations. The Company has established a three-tier risk management structure, consisting of:

- Board Risk Management Committee
- Apex Risk Management Committee
- Functional Risk Management Committee

This structure enables systematic identification, categorization, and prioritization of operational, financial, and strategic business risks. To mitigate them, the Company continues to devote significant time, effort, and human resources, ensuring risks are effectively managed and controlled.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a quarterly basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

The company also assesses the ICoFR (Internal Controls on Financial Reporting) through third party auditors to monitor its effectiveness.

Information Technology

The Company has continued the implementation of advanced IT solutions and undertaken significant technology upgrades to strengthen business operations. Key areas of improvement include customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting, and raw material scheduling.

In addition, the Company has carried out necessary upgrades to its ERP system, integrating requirements across functions such as production, finance, sales, manufacturing, storage and warehousing, inventory, and human resource management. These initiatives provide greater control, efficiency, and transparency across the enterprise. Our facilities at Unit 1, Unit 2, Unit 3, EOU, and Unit 6 have been certified for ISO 27001:2013 Information Security Management System.

The Company has further increased its investment in automated shop floor management solutions to reduce cycle times and enhance productivity by effectively addressing product lifecycle bottlenecks.

The Company will continue to invest in IT systems and processes, including robust backup solutions, to enhance operational efficiency, customer service, and decision-making. These initiatives aim to minimize manual intervention, reduce the risks of system failures, and ensure greater reliability of operations.

Human Resources

The Company has adequate manpower to support its future growth and maintains alignment with prevailing industry standards. As of March 31, 2026, the workforce comprised 903 staff members, 1613 workmen (both on-roll and off-roll), and 1951 third-party contract employees.

The Company has consistently maintained amicable industrial relations, with no labour unrest reported in the past seven years. It has two recognised labour unions, duly registered with the relevant authorities.

The Company's personnel policies are designed to attract and retain talent, facilitate smooth integration, encourage continuous skill development, and provide opportunities for career growth. These initiatives foster a mutually beneficial relationship between the Company and its employees, supporting the vision of building a world-class organisation.

Particulars	FY 2024 - 25	FY 2025-26
Staff, including on and off the rolls	695	903
Workmen including on and off the rolls	1426	1613
Third party contractors	1092	1951
Total	**3213**	**4467**

Disclosure of Accounting Treatment

During the preparation of the financial statement of FY 2025-26 the treatment, as prescribed in an Accounting Standard, has been followed by the Company. There is no discrepancy in Accounting Treatment as followed by the Company in the last financial year as compared to the previous financial year.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations

ESG at the Core of Our Business

The Company continues to integrate ESG considerations into its business strategy and operations, supporting its commitment to responsible and sustainable growth.

In FY26, the Company continues to derive more than 70% from the manufacture of climate-positive products, underscoring its strategic focus on contributing meaningfully to the global low-carbon economy.

Our ESG Outlook

The Company believes that businesses have an increasingly important role in addressing environmental and social priorities while maintaining high standards of governance. As expectations from customers, investors, employees and other stakeholders continue to evolve, sustainability considerations are becoming increasingly integral to long-term business strategy, operational resilience

Progressive and proactive ESG policies are fundamental to ensuring long-term, sustainable growth. They not only contribute to a better world but also deliver enhanced value to all stakeholders including investors, customers, employees, suppliers, and the wider community. The Company has adopted a comprehensive ESG framework that is closely aligned with its strategic priorities. We believe ESG integration directly contributes to business performance and impacts cash flows in six key ways:

1. Facilitating Top-Line Growth – Through access to new markets, customer segments, and innovation in sustainable products.

2. Improving Bottom-Line Performance – By enhancing operational efficiency and aligning with sustainable procurement practices.

3.Reducing Costs – By maintaining energy efficiency, resource optimization, and waste minimization.

4. Minimising Regulatory and Legal Interventions – Through compliance and staying ahead of evolving ESG regulations.

5. Increasing Employee Productivity – By improving workplace practices, diversity, and employee engagement.

6. Optimising Investment and Capital Expenditure – By aligning capital allocation with long-term sustainability goals.

Our Environment Commitment

MTAR firmly believes that making sound environmental decisions leads not only to improved investment outcomes but also to enhanced well-being for stakeholders and society at large. We are committed to continuously reducing the environmental impact of our operations by manufacturing climate-positive products that contribute to the reduction of carbon emissions, and by making our internal processes more sustainable.

Over the decades, the Company has significantly strengthened its presence in the clean energy segment, manufacturing products that support a variety ofclean technologies. This long-term focus enables us to play a meaningful role, however modest, in the global transition toward a low-carbon economy.

In FY26, a majority of our revenue was derived from the clean energy segment, including civil nuclear power, fuel cells, hydropower, and other sustainable solutions. The Company sees substantial future potential in the growing market for climate positive products.

As part of our efforts to improve the sustainability of our operations and reduce energy consumption, the Company has installed solar rooftops at some of our units. These initiatives are aligned with our broader goal of minimizing our environmental footprint.

Our facilities at Unit 1, Unit 2, EOU, and Adibatla are certified under ISO 14001:2015 for Environmental Management Systems, underscoring our commitment to internationally recognized environmental standards.

In addition, the Company has successfully indigenized several products in the Clean Energy vertical that were previously imported. This has directly contributed to reducing carbon emissions by eliminating the need for overseas shipments. In the past, the Company has also developed other import substitutes, including ball screws and water-lubricated bearings, further supporting our sustainability goals and national self-reliance.

Revenue as % of total revenue from operation	FY 22	FY 23	FY 24	FY25	FY26
Clean Energy – Fuel Cells & Hydel	62.61%	77.04%	60.53%	61.7%	70.16%
Clean Energy – Civil nuclear Power	14.19%	7.64%	10.67%	2.7%	2.69%
Total	76.80%	84.68%	71.21%	64.4%	72.85%

We drive inclusive growth by empowering our people, supporting communities and fostering ethical, trusted and sustainable partnerships across our value chain.

Diversity, Equity and inclusion

The Company is committed to building a workplace where diversity is valued, opportunities are equitable, and every employee is empowered to contribute and grow. Our people practices are guided by the principles of fairness, respect and inclusion, with a focus on creating an environment where individuals from diverse backgrounds and identities can thrive.

We recognise that the manufacturing sector has historically had lower representation of women, and this is reflected in our workforce as well. Improving gender diversity therefore remains an important area of focus for the Company. We are progressively working towards enhancing women's participation across the organisation and creating an enabling workplace that supports their long-term growth and development. Though meaningful change might take time, we remain committed to making consistent and sustained progress towards a more diverse and balanced workforce as the organisation continues to grow.

Customers

The Company has built a strong reputation for exceptional product quality and best-in-class manufacturing processes, fostering enduring relationships with its key customers. By working closely with customers as a strategic partner, the Company has steadily expanded its portfolio of offerings and capabilities, delivering advanced manufacturing solutions that create sustained value and deepen customer partnerships

Employee Welfare and Training

The Company has fostered a culture of excellence and continuous learning, reflected in strong employee retention and a knowledge-driven work environment. By connecting individual roles with the larger purpose of contributing to nation-building, we seek to create a strong sense of purpose and engagement across the organisation. We continue to strengthen our talent pool through focused recruitment, employee development, retention initiatives and continuous learning, reinforcing our commitment to building a skilled, engaged and future-ready workforce.

The Company's Environment, Health and Safety (EHS) framework is centred on creating and sustaining a safe, healthy and responsible workplace, with employee well-being and occupational safety embedded across its operations.In alignment with this commitment, our facilities at Unit 1, Unit 2, Unit 3, Unit 6 and EOU are certified under ISO 45001:2018 – Occupational Health and Safety Management Systems, reflecting our adherence to internationally recognized safety standards.

As part of our commitment to continuous improvement, we regularly measure employee satisfaction. In the most recent annual survey, we recorded an Employee Satisfaction Index of 87% and a Net Promoter Score (NPS) of 27. These positive outcomes, supported by our robust talent management practices, have contributed to consistently high employee retention.

MTAR has contributed Rs. 0.7 Mn for St Judes Foundation as a part of its healthcare initiatives

Vendor Development

Responsible sourcing and strong vendor partnerships are integral to our supply chain approach. The Company maintains prompt and transparent payment practices while supporting local suppliers, with over 40% of raw materials sourced locally. This strengthens the regional economy while fostering a resilient, sustainable and inclusive supply chain.

Communities

During FY26, the Company continued its commitment towards creating a positive social impact through various Corporate Social Responsibility ("CSR") initiatives. The Company has allocated Rs. 19 Mn and undertook CSR programmes focused primarily on education, skill development, healthcare, and community welfare.

The Company supported various initiatives through reputed organisations and foundations, including Ekam Foundation, MSSO, 3.2.1 Education Foundation, Bright Future, Agastya International Foundation, Cardiac Rehab Foundation, Dangoria Charitable Trust, Friends of Max, St. Judes and Parampara Foundation.

The Company also contributed towards apprenticeship training and skill development aimed at enhancing employability and providing learning opportunities to young individuals.

Robust Corporate Governance as a Pillar of ESG

Code of conduct

The Company's Code of Conduct embodies our commitment to the highest standards of ethics, integrity, and compliance. It outlines clear policies on ethical behavior serving as a guiding framework for all our actions and decisions.

The Code of Conduct applies to all employees, members of the Board of Directors, our wholly owned subsidiary, as well as external stakeholders including suppliers, contractors, and business partners. By holding all parties to the same ethical standards, the Company fosters a culture of accountability and trust across our operations.

To ensure consistent understanding and implementation, the Company conducts regular training programs to reinforce awareness of the Code of Conduct and its practical application in day-to-day business activities.

Investors

The Company conducts quarterly earnings calls and provides broad annual revenue guidance at the beginning of each fiscal year. It maintains regular engagement with the investor community through group conferences, one-on-one meetings, and other investor forums.

The Company is committed to maintaining transparency by consistently sharing updates on business developments and strategic progress.

Our corporate governance framework safeguards shareholder interests while upholding the highest standards of transparency, accountability and fairness. Our policies promote ethical conduct, prevent conflicts of interest and support the long-term interests of all stakeholders.

Executive Compensation

The Company follows a structured remuneration framework overseen by the Nomination & Remuneration Committee (NRC) for Directors, KMP and Senior Management. Combining fixed and performance-linked components, the framework is designed to remain competitive and aligned with industry practices, while attracting, retaining and motivating high-calibre leadership to drive sustained performance.

Cyber Security

The Company operates in sensitive sectors and cyber security. MTAR maintains a comprehensive Cyber Security Policy aligned with industry best practices and regulatory requirements. Our facilties at Unit 1, Unit 2, Unit 3, Unit 6, and EOU are certified for ISO 27001:2022 – Information Security Management systems, demonstrating our commitment to safeguarding information assets. Regular internal and external audits are conducted to ensure that all necessary security measures remain effective and up to date.

Dividend policy

As per our current approved dividend policy not exceeding 35% of the annual standalone net profits of the Company (Profit After Tax) can be given at any point of time. However, given the Company's strategic focus on growth and expansion, the Board has opted to retain profits for reinvestment into core operations, innovation, and long-term value creation.

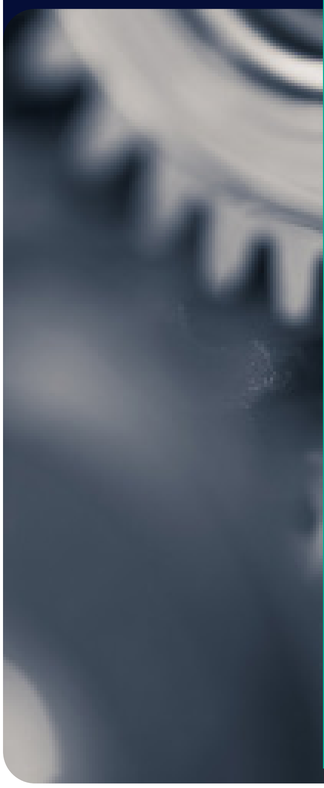
This approach ensures the Company maintains financial flexibility to fund future opportunities, strengthen its market position, and deliver sustainable returns to shareholders over time.

Building Organizational Resilience Through Comprehensive Risk Management Framework

The company has a comprehensive risk management framework to identify and analyse risks amidst evolving global uncertainities

The Company's Risk Management Policy is shaped by our Board of Directors - an accomplished group of industry veterans. The policy is designed to address unanticipated disruptions such as technological advancements, geopolitical tensions, supply chain vulnerabilities, and data security threats that could impact business continuity and financial stability.

The Board also defines our overarching governance principles and risk tolerance levels, guiding the organisation toward long-term, sustainable growth. We also have internal committees dedicated to managing risks within specific functional domains, ensuring a comprehensive and proactive risk management framework across the organisation



Customer Concentration Risk

A significant proportion of the Company's revenues has historically been derived from a limited number of customers. Further, the strong structural tailwinds in the Clean Energy have resulted in significant growth from certain key customer. Any loss of one or more significant customers, or a material reduction in volumes of a major product, could adversely impact the Company's revenues, profitability, financial position and cash flows.

Mitigation

The Company has been progressively diversifying its customer and revenue base to mitigate concentration risk. Over the past two years, it has significantly expanded its customer base across Clean Energy and Aerospace & Defence, while also establishing a presence in the Oil & Gas sector. As the Fuel Cells business continues to achieve greater scale, the Company expects Aerospace & Defence, Data Centre Infrastructure Solutions and Oil & Gas to emerge as additional growth drivers over the coming years. The Company is actively developing key customer accounts across these verticals, which is expected to further diversify its revenue mix over time. The Company operates in niche, precision-engineered product segments characterised by stringent qualification requirements and long customer engagement cycles. Its established track record, reputation for quality, financial strength and cost-competitive offerings have enabled it to build and sustain long-standing customer relationships. The Company has historically not experienced any significant customer attrition, although the proportion of revenue derived from individual customers may vary depending on product demand and prevailing market conditions.

In parallel, the Company continues to increase its wallet share with existing customers by developing and qualifying additional products and expanding into adjacent opportunities. This broadens the range of products supplied to individual customers and helps mitigate the impact of a potential reduction in volumes of any particular product.

The Company also closely monitors the business outlook, growth trajectory and industry trends of its key customers and accordingly realigns its business development and capacity-allocation strategies. Further, a significant portion of the Company's manufacturing assets and capabilities are fungible across products and sectors, providing flexibility to redeploy capacities in response to changes in customer demand and market opportunities.

Working Capital Management

The Company's working capital requirements may vary from current estimates due to several factors, including changes in project execution schedules, unforeseen delays or cost overruns, engineering design modifications, regulatory developments, economic conditions, technological changes and other market-related factors.

Working capital requirements may also increase where contracts have limited or no advance payment terms, extended customer payment cycles, or milestone-based payment structures that defer a significant portion of collections towards later stages of project execution

Given the long execution cycles associated with certain projects, such factors may result in higher working capital deployment and impact the Company's cash flows.

Mitigation

The Company continues to implement measures aimed at further optimising its working capital cycle, including negotiating favourable payment and advance terms for new contracts, strengthening receivables management and closely monitoring inventory levels. While the Company's working capital cycle improved significantly in FY26, it continues to focus on further enhancing working capital efficiency. Through these initiatives, the Company is targeting a reduction in NWC days to approximately 100 days in FY27, with the objective of strengthening operating cash flows and supporting growth through more efficient utilisation of capital.

Through these initiatives, the Company is targeting a reduction in NWC days to approximately 100 days in FY27, with the objective of strengthening operating cash flows and supporting growth through more efficient utilisation of capital.

Succession Planning & Talent Management Risk

The Company operates across specialised and technology-intensive sectors where engineering expertise, domain knowledge and execution capabilities are critical to business success. Consequently, the Company's ability to execute complex programmes and pursue future growth opportunities depends on the continued contribution of its leadership team, experienced technical and management-professionals. Any significant loss of key talent, gaps in succession planning or an inability to build the required organisational capabilities in line with business growth could affect operational performance and the Company's growth plans.

The availability of experienced engineering and manufacturing talent continues to remain competitive, particularly for specialised technical and leadership roles. As the Company expands its operations and enters new areas of opportunity, attracting, developing and retaining professionals with the required technical and managerial capabilities will remain important.

Mitigation The Company follows a structured approach towards building and retaining a strong talent pool, with emphasis on leadership development, succession planning, capability enhancement and employee engagement. Its human capital practices are designed to provide competitive and performance-linked remuneration, meaningful career progression opportunities and continuous learning and development. Historically, the Company has maintained relatively low levels of employee attrition, reflecting the strength of its employee engagement and retention practices.
As the business scales, the Company will continue to invest in its people and organisational capabilities to build a resilient workforce capable of supporting its long-term growth ambitions.

Lack of Innovation and Technology

The Company operates across technology-intensive sectors characterised by evolving customer requirements, stringent performance standards and continuous advancements in manufacturing technologies. The ability to remain competitive therefore depends on the Company's capability to continuously upgrade its technologies, manufacturing processes and engineering competencies. Any delay in adopting latest technologies or developing capabilities in line with industry requirements could affect product competitiveness, manufacturing efficiency and the ability to address new business opportunities.

Technological advancement also plays an important role in improving product quality, process reliability and cost competitiveness. Inadequate investment in technology and innovation could constrain the Company's ability to develop new products, enhance existing offerings and meet increasingly complex customer requirements.

Mitigation

Innovation and new product development remain integral to the Company's growth strategy. The Company continues to invest in engineering, R&D and advanced manufacturing capabilities while progressively expanding its product portfolio across its areas of specialisation.

During recent years, the Company has successfully developed and added several products to its portfolio, including valves, actuator assemblies, adaptors for ground-support systems and whipstock assemblies. In parallel, multiple new products are currently under development across the Company's business verticals, supporting its strategy of expanding into adjacent opportunities and increasing its share of business with existing and new customers.

The Company also continues to evaluate and adopt advanced manufacturing technologies aimed at improving operational efficiencies and product quality. Through sustained investment in technology, engineering capabilities and new product development, the Company seeks to remain aligned with evolving industry requirements while strengthening its long-term competitive positioning.

Supply chain Risk

The Company operates within an increasingly interconnected global supply chain and remains exposed to uncertainties arising from geopolitical developments, tariffs, trade restrictions and other disruptions to international commerce. Such developments may affect the availability, lead times and cost of critical raw materials and components, potentially impacting the Company's operations and project execution schedules.

The Company sources a majority of its raw materials from third-party suppliers, except for certain Aerospace & Defence programmes where specified materials are supplied directly by customers.

As the Company scales its operations across multiple verticals, timely availability of raw materials and components assumes greater importance. Any significant disruption or delay in the supply of critical inputs could interrupt production lines, affect delivery schedules and consequently impact revenues, profitability and cash flows.

Mitigation

The Company has developed a robust supplier ecosystem and follows a proactive procurement strategy to strengthen supply-chain resilience. Critical and long-lead raw materials are planned and procured well in advance, while the Company continues to diversify its supplier base across multiple vendors and geographies to reduce dependence on individual sources and ensure continuity of supply. Supplier performance is also closely monitored with respect to quality, delivery and capacity to support the Company's growing requirements.

The Company has also established mechanisms to mitigate exposure to raw material price volatility. In some of thwe verticals of Clean Energy, annual pricing arrangements with suppliers enable the Company to lock in raw material prices for specified periods, while contractual mechanisms with customers provide for the pass-through of applicable price increases. Similarly, contracts in the Civil Nuclear Power vertical incorporate price-escalation provisions for key raw materials, helping mitigate the impact of input-cost fluctuations

As production volumes scale across its business verticals, the Company continues to strengthen supplier capacity, develop alternate sources and align procurement planning with anticipated production requirements. These measures, together with its established supplier base and proactive sourcing practices, are aimed at minimising supply disruptions and supporting uninterrupted execution of the Company's growing order book.

Forex Risk

A majority of the Company's revenue exceeding 70% is derived from customers outside India, with a significant portion of transactions denominated in foreign currencies, primarily the U.S. Dollar (USD). Consequently, fluctuations in exchange rates, particularly the appreciation or depreciation of the Indian Rupee (INR) against the USD and other major currencies, may have a material impact on the Company's financial performance. While the Company is exposed to currency volatility, this risk is mitigated by the fact that exports significantly exceed imports, providing a natural hedge against foreign exchange fluctuations. The treasury team continuously monitors currency movements, global economic trends, and geopolitical developments. Although the Company currently relies on its natural hedge, it remains prepared to devise and implement appropriate hedging strategies in accordance with the Company's risk management framework, should such measures be deemed necessary in the future.

Competition and Pricing Pressure

The Company operates in specialised and precision-engineered product segments across strategic sectors such as Clean Energy, Aerospace & Defence, where stringent qualification requirements, technical complexity and long development cycles create relatively high barriers to entry. While these characteristics have historically limited significant pricing pressure, increasing scale and transition towards volume production may expose the Company to greater competitive and pricing pressures. Customers, particularly global OEMs, may also pursue periodic cost-reduction and productivity initiatives with their suppliers, which could impact product realisations and margins if not offset through corresponding efficiency improvements.

Mitigation

In the Clean Energy – Fuel Cells vertical, the Company has successfully supported product cost reductions through indigenisation of certain components, insourcing of critical manufacturing processes and productivity improvements. These initiatives have enabled the Company to remain competitive while supporting the scale-up of customer programmes

The Company is progressively extending a similar cost-optimisation approach to its MNC Aerospace business, with a focus on improving manufacturing efficiency as volumes ramp up. Through continuous productivity improvements, localisation and operating efficiencies, the Company aims to address customer cost-reduction expectations while protecting margins and strengthening its long-term competitive positioning.

Cyber Security and Digital Risk

Information security is critical to the Company's operations, given its presence across strategic sectors such as Civil Nuclear Power, Space and Defence, as well as its engagements with global MNC customers where data confidentiality and security are paramount. Any cyberattack, IT system failure, data breach or prolonged technology disruption could affect business continuity and potentially result in unauthorised access to or disclosure of sensitive information.

The Company handles critical information relating to customer programmes, engineering data, intellectual property and business strategies. Any compromise of its information systems could therefore have operational, financial, reputational and regulatory implications, particularly considering the stringent security requirements associated with the sectors in which it operates

Mitigation

The Company has established a robust information-security framework encompassing preventive, detective and corrective controls to safeguard its information assets and maintain the confidentiality, integrity and availability of critical data. Its IT infrastructure and security controls are continuously monitored to identify vulnerabilities, prevent unauthorised access and enable timely response to potential security incidents.

The Company continues to strengthen its cybersecurity systems and practices in line with evolving threats and customer requirements, with a focus on protecting sensitive information, maintaining business continuity and minimising the potential impact of cybersecurity incidents.

Indebtedness & Interest risk

As the Company scales its existing businesses and expands into new areas of opportunity, its funding requirements may increase to support higher working capital needs, capacity expansion, new manufacturing capabilities and infrastructure investments. The Company may meet these requirements through a combination of internal accruals, debt and equity. Increased reliance on external borrowings could result in higher finance costs and repayment obligations, particularly if anticipated growth or returns from new investments take longer than expected to materialise

Mitigation

The Company follows a disciplined approach to capital allocation, with investments in new verticals, capacities and capabilities undertaken after a detailed evaluation of the underlying business case, market potential, expected returns and associated risks. This approach seeks to ensure that capital deployment remains aligned with the Company's long-term growth strategy and return objectives.

Historically, the Company's investments have generated satisfactory long-term returns, reflecting its prudent approach to capital deployment. In FY26, the Company maintained a debt-to-equity ratio of approximately 0.45x, indicating a relatively conservative level of financial leverage.

Going forward, the Company intends to maintain a balanced capital structure while funding its growth ambitions. A continued focus on strengthening operating cash flows, improving working capital efficiency and maintaining prudent leverage is expected to provide the financial flexibility required to pursue growth opportunities without compromising balance-sheet strength and financial stability.

Board of Directors

Ensuring Highest Standards of Corporate Governance

The Company has a Board comprising a majority of Independent Directors, reinforcing its commitment to transparency, accountability and the highest standards of corporate governance.


Subbu Venkata Rama Behara


Parvat Srinivas Reddy


Anushman Reddy Mitta


Praveen Kumar Reddy Akepati


Rohith Loka Reddy


Udaymitra Chandrakant Muktibodh


Krishna Kumar Aravamudan


Gnana Sekaran Venkatasamy


Ameeta Chatterjee

Promoters in Leadership

From Vision To Execution

The Company's promoters have been instrumental in shaping its journey, combining long-term vision with a relentless focus on execution.

As the Company enters its next phase of growth, their focus is on scaling capabilities, strengthening organisational depth and building a strong professional leadership team to support an increasingly diversified and larger enterprise.

Parvat Srinivas Reddy,
Managing Director

Anushman Reddy Mitta,
Executive Director

Akepati Praveen Kumar Reddy,
Executive Director

Senior Leadership Team

Gunneswara Rao Pusarla- CFO

Raja Sekhar Bollempally, COO

Arun Kumar Ojha, CCO

Sr.

The Company is led by an experienced senior management team with decades of experience across prestigious manufacturing organisations, combining deep industry expertise with a proven track record of operational excellence

Management Council

Technical Team

N. Mondaiah
Sr. Vice President- Civil Nuclear Power & Products

K. Sreeramulu Reddy
Sr Vice President - Quality

K.J. Thomas
Sr. Vice President- Civil Nuclear Power

D. Sidda Reddy
Sr. Vice President - Clean Energy Fuel Cells

A.V. Sudhakar Reddy
Sr. Vice President - Space

Ch. Ramesh Reddy
Sr. Vice President - Civil Nuclear Power & Defence

Bh. Lakshman Babu
Sr. Vice President - Aerospace

Jayant Mane Bhaurao
Associate Vice President - Oil & Gas

Niladri Sekhar Banerjee
Associate Vice President - Quality

P. Srinivas Rao
General Manager - Aerospace

Soundra Pandi
GM - Sheet Metal

S. Krishnan
GM - Clean Energy- Hydro Power, Wind & Others

Corporate Team

KRM Rao
Sr. Vice President HR

Srilekha Jasthi
Head - Strategy & Investor Relations

Rohit Khera
Resident Director

Priyanka Agarwal
Company Secretary and Compliance officer

Ramana Reddy Mutyala
GM- Finance

Statutory Reports

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF MTAR TECHNOLOGIES LIMITED WILL BE HELD ON MONDAY, 28TH DAY OF SEPTEMBER, 2026 AT 3:00 P.M. THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Standalone and Consolidated Audited Balance Sheets as at 31st March, 2026, the Statements of Profit and Loss and Cash Flow Statements for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.

2. To appoint a director in place of Mr. Rohith Loka Reddy (DIN: 06464331) who retires by rotation and being eligible, offers himself for re-appointment. (Brief Profile: Annexure A to this Notice).

3. To appoint a director in place of Mr. Anushman Reddy (DIN: 08104131) who retires by rotation and being eligible, offers himself for re-appointment. (Brief Profile: Annexure A to this Notice).

SPECIAL BUSINESS:

4. Ratification of payment of remuneration to the Cost Auditor for three Financial Years 2026-27, 2027-28 & 2028-29:

To consider and if thought fit, to pass with or without modification(s), the following resolution, as an ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for three financial years 2026-27, 2027-28 & 2028-29, amounting to Rs. 6,00,000/- per annum (Six Lakhs only) for the FY 2026-27 with an annual increase of 10% in each subsequent financial year plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified."

"RESOLVED FURTHER THAT Mr. P. Srinivas Reddy, Managing Director and Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised to do such acts, deeds, as may be deemed necessary, desirable proper or expedient and file necessary e-forms with the Registrar of Companies, Telangana to give effect to this resolution and for matters connected there with or incidental thereto."

5. To increase the limits of borrowing by the board of directors of the Company under section 180(1)(c) of the Companies Act, 2013:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), and any other applicable laws and the provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, provided that the total outstanding amount so borrowed in excess of the aggregate of the paid-up capital of the Company, free reserves (that is to say reserves not set apart for any specific purpose) and securities premium of the Company provided that the total amount so borrowed by the Board within the meaning of Section 180(1)(c) of the Act shall not at any time exceed Rs. 2,000 crores (Rupees Two Thousand Crores Only) for Company or the limits so prescribed under Section 180(1)(c) of the Act, whichever is higher."

“RESOLVED FURTHER THAT while availing any borrowings within the aforesaid limit, the Company shall ensure compliance with all applicable financial and other covenants, and such other conditions stipulated under the term sheets, sanction letters, loan agreements or other financing arrangements entered into with banks and financial institutions, and no borrowing shall be undertaken in a manner that results in breach of any such applicable covenant.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of borrowing, filing of necessary forms, returns, applications and submissions under the Act to give effect to this Resolution.”

6. To seek approval under section 180(1)(a) of the Companies Act, 2013 inter alia for creation of mortgage or charge on the assets, properties or undertaking(s) of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the “Act”) and any other applicable provisions, if any of the Act, or any amendment or modifications thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to sell, lease or dispose off in any manner including but not limited to mortgaging, hypothecating, pledging or in any manner creating charge on all or any part of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the “Assets”) and/or creating a floating charge on the Assets to or in favour of banks, financial institutions, investors, debenture trustees or any other lenders to secure the amount borrowed by the Company or subsidiary(ies) of the Company from time to time for the due re-payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of the said borrowings provided that the aggregate indebtedness so secured by the Assets do not at any time exceed the value of limits approved by the members under Section 180(1)(c) of the Act.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of sale, lease, creation of security or any other dispositions, filing of necessary forms, returns, applications, submissions under the Act.”

By order of the Board of Directors
MTAR Technologies Limited

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

Explanatory Statement

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

Item No. 4: Ratification of Payment of Remuneration to the Cost Auditor for three Financial Years 2026-27, 2027-28 & 2028-29:

Based on the recommendation of the Audit Committee, the Board of Directors in its meeting held on 12th May, 2026 has approved the appointment of M/s. Sagar & Associates, (Registration No.000118), Cost Accountants to conduct the cost audit of the Company for three financial years 2026-27, 2027-28 & 2028-29 and has fixed their remuneration at Rs. 6,00,000/- per annum (Six Lakhs only) for the Financial Year 2026-27 with an annual increase of 10% in each subsequent financial years plus applicable taxes and out of pocket expenses.

As per the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be subsequently ratified by the shareholders of the Company.

Accordingly, the Board of Directors recommends the passing of the Ordinary Resolution for approving the payment of remuneration to the Cost Auditor for three Financial Years 2026-27, 2027-28 & 2028-29 as set out in the item no. 4 of the notice.

None of the Directors/ Key Managerial Personnel and their relatives of the Company is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 5: To increase the limits of borrowing by the board of directors of the company under section 180(1)(c) of the Companies Act, 2013:

AND

Item No. 6: To seek approval under section 180(1)(a) of the Companies Act, 2013 inter alia for creation of mortgage or charge on the assets, properties or undertaking(s) of the Company:

Members may note that, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act"), the Board of Directors can exercise its powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company, exceeds the aggregate of its paid-up share capital, free reserves and securities premium, excluding temporary loans obtained from the Company's bankers in the ordinary course of business, only with the approval of the Members by way of a Special Resolution.

Members may further note that, through resolution(s) passed by postal ballot on 20.03.2026, the Members had approved the borrowing limits under Section 180(1)(c) of the Act up to Rs. 800 Crores (Rupees Eight Hundred Crores only) for the Company alone, and up to Rs. 900 Crores (Rupees Nine Hundred Crores only) for the Company together with its subsidiaries and/or associates, or the limits as may be prescribed under Section 180(1)(c) of the Act.

In view of the Company's planned capital expenditure and business expansion requirements, it is proposed to enhance the aforesaid borrowing limit to Rs. 2,000 Crores (Rupees Two Thousand Crores only). The proposed enhancement will provide the Company with the necessary financial flexibility to support its expansion initiatives and other business requirements.

Further, to align the borrowing limits with the proposed limits for creation of mortgage or charge on the assets, properties or undertakings of the Company under Section 180(1)(a) of the Act, approval of the Members is also sought for creation of security over such assets, properties or undertakings in connection with the enhanced borrowing limits.

Accordingly, approval of the Members is sought for enhancing the statutory limits under Section 180(1)(c) and 180(1)(a) of the Act to Rs. 2,000 Crores (Rupees Two Thousand Crores only), as set out in the relevant resolution(s) forming part of the Notice.

The Board recommends the Special Resolutions set out at item nos. 5 and 6 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out in the Notice.

By order of the Board of Directors of
MTAR Technologies Limited

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

ANNEXURE-A: ITEM. 2 & 3 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Rohith Loka Reddy	Mr. Anushman Reddy
Designation	Non-Executive Director	Whole Time Director
DIN	06464331	08104131
Date of Birth	06/05/1988	01/10/1991
Age	38 Years	34 Years
Date of First Appointment on the Board	February 10, 2025	August 09, 2022
A brief resume of the director/ Qualification and Experience	Mr. Rohith Loka Reddy completed his Masters of Business Administration (MBA) from Indian School of Business and Bachelors in Science in Economics-Finance from Bentley University, Boston, USA. He has an expertise in Finance and Investment. In 2014, he joined his family's stock broking firm, Northeast Broking Services Limited (NEBSL). He is also a founder of EZFINANZ, an NBFC that has grown steadily under his leadership and today has over 2 lakh customers.	Mr. Anushman Reddy holds Bachelor's degree in Mechanical Engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive postgraduate diploma from Narsee Monjee Institute of Management. He has a decade of experience in manufacturing and has worked with global organisations, including AeroVironment. He currently heads the Export Division and Supply Chain Management (SCM) at MTAR and plays a key role in driving the growth of the Company's export and defence verticals. He is also instrumental in the expansion of the Company's manufacturing units and oversees key administrative functions.
Expertise in specific functional area	Financial management, leadership skills, Investment and risk management.	Export Operations, supply chain management, cost reduction measures and setting up green field projects with lean manufacturing.
Relationships between Directors inter se	Mr. Rohith Loka Reddy is related to Mr. P. Srinivas Reddy, Managing Director	Mr. Anushman Reddy is related to Mr. A Praveen Kumar Reddy, Whole Time Director
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Nettlinx Limited – Managing Director	Nil
Number of shares held in the Company	NIL	2,68,128 (0.87%) fully paid-up equity shares of Rs. 10/- each.
Skills and capabilities required for the role and the manner in which the Directors meet the requirements (Independent Directors)	NA	NA

*Excluding MTAR Technologies Limited

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

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

Notes

1. Ministry of Corporate Affairs vide General Circular No.03/2025 dated September 22, 2025, has permitted the holding of the Annual General Meeting ("AGM") through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, the AGM of the Company is being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

2. The deemed venue for the AGM shall be the Registered Office of the Company.

3. The statement pursuant to Section 102 of the Companies Act, 2013 ("Act") relating to Special Business to be transacted at the AGM is annexed hereto. The details of Directors seeking reappointment at the AGM as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the Act and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, forms part of this Notice.

4. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

Further, as the AGM is being held through VC /OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum for the AGM as per Section 103 of the Act.

Electronic dispatch of annual report and process for registration of e-mail ID and obtaining copy of annual report

1. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2025-26 is being sent only through electronic mode to those members (as on Friday, 28th August 2026) whose e-mail ids are registered with the Registrar and Transfer Agent ("RTA") / Depository Participants ("DPs").

2. Members may note that the Notice of the AGM and Annual Report will also be available on the Company's website at https://mtar.in/ websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also and on the website of R&T Agent of the Company viz. KFin at https://www.kfintech.com Any member desirous of receiving a physical copy of the Annual Report may send a request to the Company at priyanka@mtar.in

3. To receive faster communication by Company including Annual Reports and Notices, the Members are requested to register / update their e-mail address, Telephone Number/Mobile Number with their respective Depository Participants (DPs) where they hold their shares in electronic form. Members are requested to support the green initiative efforts of the Company.

4. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant with the Company's Registrar and Share Transfer Agents.

Procedure for remote e-voting, joining and voting at the AGM

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company has provided a facility to its members to exercise their votes electronically through e-voting facility provided by KFin. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their e-mail addresses is provided hereunder. For this purpose, the Company has entered into an agreement with KFin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by KFin.

2. The members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 21st September 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.

3. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 09:00 a.m. (IST) on Friday, 25th September 2026, and will end at 05:00 p.m. (IST) on Sunday, 27th September 2026. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be eligible to cast their votes again.

4. The Board of Directors of the Company has appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries (represented by Mr. S. Sarweswara Reddy) as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

INSTRUCTIONS FOR REMOTE E-VOTING

1. Members holding shares in dematerialized mode are requested to register/update their KYC details including email address with the relevant Depository Participants. Members holding shares in physical form are requested to register/ update their KYC details including email address by submitting duly filled and signed Form ISR-1 at einward.ris@kfintech.com along with the copy of the share certificate (front and back), self-attested copy of the PAN card and such other documents as prescribed in the Form. Form ISR-1 is available on the website of KFin at https://ris.kfintech.com/clientservices/isc/isrforms.aspx

2. In compliance with the provisions of Sections 110 and 108 of the Act read with the Management Rules, SS-2 and Regulation 44 of the SEBI Listing Regulations, as amended, the Company is providing facility to the Members to exercise votes through electronic voting system ("e-voting") on the e-voting platform provided by KFin to enable them to cast their votes electronically.

3. The details of the process and manner for e-voting are explained hereinbelow:

I. Login method for e-voting for Individual shareholders holding securities in demat mode.
Pursuant to SEBI circular - SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/website of Depository(ies)/Depository Participants ("DPs") in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.
Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.
Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. Users registered for NSDL IDeAS facility:** 1. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or e-voting service provider - KFintech and you will be re-directed to e-voting service provider website for casting your vote during the e-voting period.

	B. Users not registered for IDeAS e-Services: Option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote. **C. By visiting the e-voting website of NSDL:** 1. Visit the e-voting website of NSDL. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the "Login" icon, available under the 'Shareholder/ Member' section. 2. A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or e-voting service provider - KFintech and you will be re-directed to e-voting service provider website for casting your vote during the e-voting period. **D. NSDL Speede** Shareholders/Members can also download NSDL Mobile App "NSDL Speede"facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	**A. Existing user who have opted for ("Easi/ Easiest"):** 1. Open web browser and type: www.cdslindia.com and click on login icon and select New System Myeasi 2. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. 3. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links of ESPs. Click on KFintech to cast your vote. **B. Users who have not opted for Easi/Easiest:** Option to register for Easi/Easiest is available at www.cdslindia.com Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote. **C. By visiting the e-voting website of CDSL:** 1. The user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com. The system will authenticate the user by sending OTP on registered Mobile & e-mail ID as recorded in the demat Account. 2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-Voting Service Provider, i.e., KFintech.

Individual Shareholders (holding securities in demat mode) logging through their depository participant(s)	1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL website after successful authentication, wherein you can see e-voting feature. 3. Click on option available against Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e., NSDL and CDSL:

Members facing any technical issue – NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 022- 4886 7000 and 022-2499 7000	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33

II.Login method for e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

1. Initial password is provided in the body of the e-mail.
2. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.
3. Enter the login credentials i.e., User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
4. After entering the details, click on LOGIN.v. You need to login again with the new credentials.
5. You will reach the password change menu wherein, you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT, i.e., MTAR Technologies Limited.
8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/ 'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut- off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
9. Members holding multiple folios/demat accounts may choose to vote separately for each folio/demat account.
10. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on all the resolutions.
11. Corporate/institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through email at ssrfcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.'

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 1-800-309-4001 (toll free).

1. E-Voting in case of attending AGM and voting thereat:
Attending of E-AGM

i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at https://emeetings.kfintech.com by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.

ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

iv. Members may join the meeting using headphones for better sound clarity.

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

vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from 25th September 2026 (9.00 a.m. IST) to 27th September 2026 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

vii.A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/, under the "How It Works" tab placed on top of the page.

Members who need technical assistance before or during the e-AGM can contact KFin at https://emeetings.kfintech.com/ or Helpline: 1800 309 4001.

Voting at E-AGM (INSTAPOLL)

i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.

ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.

iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

General guidelines for shareholders:

1. Corporate/institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority Letter / Power of Attorney etc. together with attested specimen signature of the duly authorised signatory(ies) who is /are authorised to vote, to the Scrutinizer through e-mail at ssrfcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'MTAR_EVENT No.'

2. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorized in that respect within 2 working days of the conclusion of the AGM, who shall countersign the same and thereafter results of the voting will be declared. The results declared along with the scrutiniser's report shall be placed on the Company's website at https://mtar.in/ and on the website of R&T Agent KFin viz. https://evoting.kfintech.com and shall also be communicated to the stock exchanges viz BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed. The resolutions shall be deemed to have been passed at the AGM of the Company subject to obtaining requisite votes thereto.

PROCEDURE FOR INSPECTION OF DOCUMENTS

1. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office- Hyderabad:

i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to https://emeetings.kfintech.com and clicking the button next to Thumb symbol.

2. The documents referred to in the Notice will also be available for inspection during business hours (09:00 a.m. IST to 05:00 p.m. IST) on all working days, without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send a request on the E-mail id priyanka@mtar.in at least one working day before the date on which they intend to inspect the document.

3. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

Application(s) by RTA KFintech

Members are requested to note that as an ongoing endeavor to enhance shareholders experience and leverage new technology, KFintech has developed following applications for shareholders:

Online application for Investor Query:

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), basis the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, have launched an online application which can be accessed at https://ris.kfintech.com > Investor Services > Investor Support.

Members are requested to register / sign up, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details.

Quick link to access the signup page: https://kprism.kfintech.com/signup

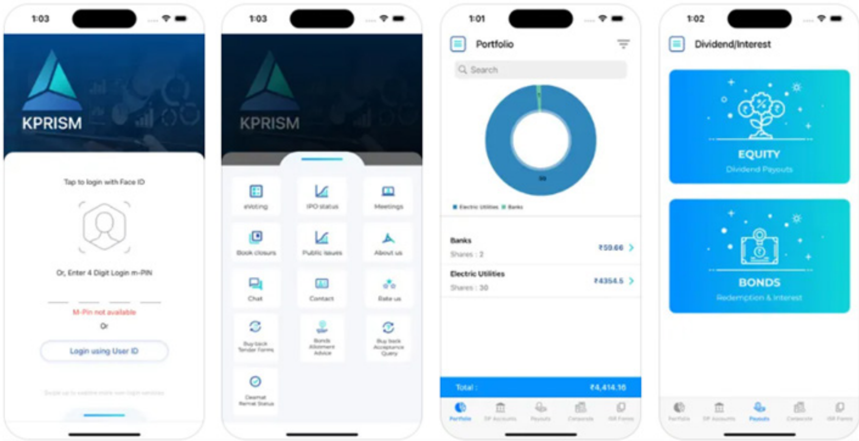
Senior Citizens - Investor Support

As part of the initiative, our RTA, in order to enhance investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com . Senior Citizens (above 60 years of age) have to provide the following details:
1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance
A dedicated Toll-free number for Senior Citizens can also be accessed at 1-800-309-4006 for any queries or information

KPRISM Mobile App:

Mobile applications for all users to review their portfolio being managed by KFINTECH is available in Play store and App Store. Users are requested to download the application and register with the PAN number. Post verification, user can use functionalities like – Check portfolio / holding, check IPO status / Demat / Remat, track general meeting schedules, download ISR forms, view the live streaming of AGM and contact the RTA with service request, grievance, and query.



QR Code to access KPRISM:

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

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

DIRECTORS' REPORT

Dear Members,

The Board of Directors take pleasure in presenting the 27th (Twenty-Seventh) Annual Report including inter-alia Directors' Report, its annexures and audited financial statements (including standalone and consolidated financial statements along with respective Auditors' Report thereon) for the year ended 31st March, 2026. The consolidated performance of the Company and its subsidiaries have been referred to wherever required. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are referred to as 'Act' and 'Listing Regulations' respectively.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

The performance of the Company for the financial years ended has been as under:

(Amount in Rs. Mn)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from Operations	8761.08	6759.57	8762.06	6759.95
Other Income	236.88	57.36	230.90	51.50
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1947.43	1263.92	1942.96	1259.84
Less: Depreciation/ Amortisation/ Impairment	343.63	317.74	350.25	322.35
Profit /loss before Finance Costs, Exceptional items and Tax Expense	1603.80	946.18	1592.71	937.49
Less: Finance Costs	293.44	221.60	293.58	221.79
Profit /loss before Exceptional items and Tax Expense	1310.36	724.58	1299.13	715.70
Add/(less): Exceptional items	(37.67)	0	(37.67)	0
Profit /loss before Tax Expense	1272.69	724.58	1261.46	715.70
Less: Tax Expense (Current & Deferred)	319.45	186.05	321.16	186.83
Profit /loss for the year (1)	953.24	538.53	940.30	528.87
Total Comprehensive Income/loss (2)	(3.61)	(2.99)	(3.61)	(2.99)
Total (1+2)	949.63	535.54	936.69	525.88
Balance of profit /loss for earlier years	2994.35	2458.81	2976.34	2450.46
Less: Transfer to Debenture Redemption Reserve	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	0	0	0	0
Less: Dividend paid on Preference Shares	0	0	0	0
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	3943.98	2994.35	3913.03	2976.34

2. FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS:

Revenues – Standalone

During the year under review, the Company has recorded a total income of Rs. 8997.96 Mn and a net profit of Rs. 953.24 Mn as compared to a total income of Rs. 6816.93 Mn and a net profit of Rs. 538.53 Mn achieved in the previous financial year 2024-25.

Revenues – Consolidated

During the year under review, the Company has recorded a total income of Rs. 8992.96 Mn and a net profit of Rs. 940.30 Mn as compared to a total income of Rs. 6811.45 Mn and a net profit of Rs 528.87 Mn achieved in the previous financial year 2024-25.

Business update and state of company's affairs

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis Report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Annual Report.

Change in the nature of the business, if any

During the period under review and the date of Board's Report, there was no change in the nature of business pursuant to inter-alia Section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

3. RESERVES:

The Closing balance of reserves, including retained earnings, of the Company as at March 31, 2026 is Rs. 7949.23 Mn.

4. DIVIDEND:

The Company has decided not to pay any dividend for the financial year 2025-26 keeping in mind its capex, growth plans and working capital requirements.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations), the Dividend Distribution Policy was adopted to set out parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to the shareholders. The Policy is available on the website of the Company under the web link https://mtar.in/policies-related-documents.

5. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the year under review, the Company initiated a Scheme of Amalgamation on involving its wholly owned subsidiaries, Gee Pee Aerospace and Defence Private Limited and Magnatar Aero Systems Private Limited, with MTAR Technologies Limited. The Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench-II, vide its order dated April 29, 2026, allowed the applicable on and dispensed with the requirement of convening the meetings of the shareholders and creditors of the respective companies. Further, vide order dated July 10, 2026, the Hon'ble NCLT admitted the petition filed in respect of the Scheme. The matter is presently pending before the Hon'ble NCLT for further hearings and passing of the final order.

There have been no other material changes and commitments affecting the financial position of the Company which have occurred from the end of Financial Year 2025-26 till the date of this Annual Report

6. FUND RAISING BY ISSUANCE OF DEBT SECURITIES, IF ANY:

Pursuance to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, the Directors confirm that the Company is not defined as a "Large Corporate" as per the framework provided in the said Circular. Further, your Company has not raised any funds by issuance of debt securities.

7. BOARD MEETINGS:

The Board of Directors duly met four (4) times during the financial year 2025-26 on 22nd May 2025, 05th August 2025, 05th November 2025 and 29th January 2026. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and Listing Regulations. All the meetings were conducted through Physical mode and option of attending the meeting through audio-visual means was also given to those directors who could not attend the meeting physically.

The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

8. INDEPENDENT DIRECTORS' MEETING:

The Independent Directors met on 05th November 2025 & 17th February 2026, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and Board that is necessary for the Board to effectively and reasonably perform their duties. The performance of the aforementioned assessments were found satisfactory.

9. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

During the year under review and as on the date of this annual report following are the changes in the directors and key managerial personnel as detailed below:

a) Appointments made during the year:

• Ms. Priyanka Agarwal was appointed as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 02.02.2026.

• Mr. Anushman Reddy was re-appointed owing to retirement by rotation in the previous Annual General meeting which was held on 18.09.2025 during the year under the review.

• Mr. P. Srinivas Reddy was re-appointed owing to retirement by rotation at the previous Annual General Meeting held on 18.09.2025 during the year under the review.

• Mr. Akepati Praveen Kumar Reddy was re-appointed owing to retirement by rotation at the previous Annual General Meeting held on 18.09.2025 during the year under the review.

b) Resignations:

The following Resignations have taken place during the year:

• Ms. Naina Singh has resigned as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 20.01.2026

The Board places on record it's sincere appreciation for the invaluable contribution made by her during her tenure.

c) Information u/r 36(3) of SEBI (LODR), Regulations, 2015:

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointments are given as **Annexure A** to the notice of the AGM forming part of this Annual Report.

10. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

11. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has, inter alia, received the following declarations from all the Independent Directors as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ("Act") and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (LODR), Regulations, 2015 confirming that:

a. They meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules made thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;

b. They have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and

c. They have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as may be applicable).

d. They had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

12. AUDIT COMMITTEE RECOMMENDATIONS:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

13. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company were also made to the directors. Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices. The details of the familiarization programme of the Independent Directors are available on the website of the Company at the link: https://mtar.in/policies-related-documents.

14. BOARD EVALUATION:

Performance of the Board and its Committees were evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held on 05th November 2025 & 17th February 2026. The Board discussed the performance evaluation reports of the Board, its Committees and Individual Directors. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, its Committees and Individual Directors is enumerated in the Corporate Governance Report.

15. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential of Board Member(s) is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The brief particulars of the Policy are attached a part of Corporate Governance Report.

We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

a. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. That the Directors have prepared the annual accounts on a going concern basis:

e. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. During the year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

Magnatar Aero Systems Private Limited is the wholly owned subsidiary of the Company incorporated on 04.11.2019 and is non-operational.

Gee Pee Aerospace and Defence Private Limited, a wholly owned subsidiary of the Company incorporated on 20.06.1988 made a total income of Rs. 25.57 Mn as on 31.03.2026 and net loss after tax of Rs. 11.85 Mn.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies is prepared in Form AOC-1 and is attached as **Annexure VIII** and forms part of this report.

19. ANNUAL RETURN:

Pursuant to Section 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the draft Annual Return for Financial Year 2025-26 is available on the website of the Company at the link: https://mtar.in/annual-return/. The Annual General Meeting is proposed to be held on Monday, 28th September 2026. The Company shall upload a copy of final Annual Return for Financial Year 2025-26 as soon it is filed with Registrar of Companies.

20. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility & Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspectives forms part of this Annual Report and is annexed as **Annexure I.**

21. AUDITORS:

a. Statutory Auditors

M/s. S.R. Batliboi & Associates, (Firm Registration No. 101049W/E300004), are the Statutory Auditors of the Company.

At the 26th Annual General Meeting of the Company held on 18th September 2025, the Members approved the re-appointment of M/s. S.R. Batliboi & Associates as the Statutory Auditors of the Company for a second term of four years, to hold office from the conclusion of the 26th Annual General Meeting till the conclusion of the 30th Annual General Meeting to be held in the Financial Year 2028-29.

Accordingly, M/s. S.R. Batliboi & Associates continue to be the Statutory Auditors of the Company for the Financial Year 2025-26, in accordance with the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Statutory Auditors Report

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors of the Company have not reported any fraud to the Audit Committee as specified under section 143(12) of the Act, during the year under review.

The Statutory Auditors were present in the last AGM held on 18th September, 2025.

Frauds reported by Statutory Auditors

During the Financial Year 2025-26, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

b. Secretarial Auditor

The Members of the Company, at their 26th Annual General Meeting held on 18th September, 2025, approved the appointment of M/s. S.S. Reddy & Associates, Practicing Company Secretaries (Firm Registration No. S2008AP101300), as the Secretarial Auditors of the Company for a period of 5 (five) consecutive years, commencing from the Financial Year 2025-26 to the Financial Year 2029-30.

M/s. S.S. Reddy & Associates shall undertake the Secretarial Audit of the Company for the aforesaid period and issue the necessary Secretarial Audit Report in accordance with the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Secretarial Audit Report for the FY 2025-26 confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances except as stated below. The Secretarial Audit Report is provided as **Annexure-II** to this Report.

The Secretarial Auditor has observed that there was a delay of one day in the submission of the disclosure of Related Party Transactions (RPT) along with the XBRL of financial results for the half year ended 30th September, 2025 on the National Stock Exchange of India Limited (NSE) for which a fine of Rs. 5000/- (Rupees Five Thousand Only) excluding GST was levied by the NSE. In this regard, the management replied that there was delay in filing due to technical error and management assured to take precautions to avoid delay in filings.

Further, the Secretarial Auditor has also observed that there were two (2) instances of non-compliance (i.e., trading in the equity shares of the Company without obtaining prior pre-clearance from the Compliance Officer and entering into contra trade transactions by few designated persons) with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders, and the requirements of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.

In this regard, the management replied that the matter was placed before the Board of Directors, which took cognizance of the aforesaid instances of non-compliance. The Board directed the concerned Designated Persons to disgorge the profits arising from such transactions to the SEBI Investor Protection and Education Fund, in accordance with SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.

Further, a strict warning was issued to the concerned Designated Persons, cautioning them that any recurrence of such non-compliance would be viewed seriously and may attract appropriate disciplinary action and penalties in accordance with the Company's Code of Conduct and applicable law.

The Board of Directors also levied a penalty of Rs. 30,835.74 on the concerned Designated Person, in addition to directing disgorgement of the profit earned from the transaction. The concerned Designated Person was accordingly directed to remit the profit so disgorged along with the penalty amount to the SEBI Investor Protection and Education Fund, in accordance with the aforesaid SEBI Circular.

Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended 31st March, 2026 according to the provisions of Section 204 of the Companies Act, 2013 and has noted that during the year, the Company does not have any reservation, qualification or adverse remarks except as mentioned above.

Annual Secretarial Compliance Report

The Company has filed the Annual Secretarial Compliance Report for the financial year 2025-26, which was received from M/s. S.S. Reddy & Associates, practicing company secretaries, with the BSE Limited and National Stock Exchange of India Limited within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

c. Cost Auditor

Your Company maintained the required cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

M/s. Sagar & Associates, Cost Accountants, (Firm Registration No.), were appointed as the Cost Auditors of the Company for the financial year 2025-26, based on the recommendation of the Audit Committee, approval of the Board of Directors and subsequent ratification by the Shareholders of the Company at the 26th Annual General Meeting held on 18th September, 2025, in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time.

The relevant cost audit report for FY 2025-26 was filed within the stipulated time.

The remuneration of Cost Auditors for the financial years 2026-27, 2027-28 and 2028-29 has been approved by the Board of Directors on the recommendation of Audit Committee at their respective meetings held on 12th May, 2026, in terms of the Companies Act, 2013 and Rules thereunder, and the requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in item no. 4 of the Notice of 27th Annual General Meeting of your Company.

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Act is not applicable to the Company. The Cost Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

d. Internal Auditor

The Company had appointed M/s. Seshachalam & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2025-26. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

22. INTERNAL AUDIT AND FINANCIAL CONTROLS

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis.

The Company has appointed M/s. Pundarikashyam and Associates, Chartered Accountants to review the effectiveness of the Internal Financial Controls over Financial Reporting (ICoFR) of the Company for FY 2025-26 and there are no major observations reported in their report.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans or made any investments (except for parking excess funds in FDs with Scheduled banks, as and when required and provided guarantee to its Wholly Owned Subsidiary Company(ies) during the year under review attracting the provisions under section 186 of the Companies Act, 2013 The details of such transactions and the disclosures pertaining to compliance with Section 186 of the Companies Act, 2013 are provided in Note No. 12 to the Standalone Financial Statements.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Our Company has formulated a policy on related party transactions which is also available on Company's website at https://mtar.in/policies-related-documents/ This policy deals with the review and approval of related party transactions.

All related party transactions that were entered into during the financial year 2025-26 were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management Personnel which may have a potential conflict with the interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure III** which forms part of this Report.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. Members may refer to note no.38 to the financial statements which sets out related party disclosures pursuant toIND AS-24.

25. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the year ended 31st March, 2026 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards and form part of this report.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with first proviso of Section 129(3) of the Companies Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing salient features of the Financial Statements of Subsidiary Companies in Form AOC-1 as **Annexure VIII** is appended to this report. The separate Audited Financial Statements in respect of the Subsidiaries are also available on the website of the Company at https://mtar.in/financial-information/.

26. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

27. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, is provided hereunder:

A. Conservation of Energy:

During the Financial Year 2025-26, your Company strived to imbibe energy conservation principles and initiatives across all its facilities. The Company has produced in aggregate 1,172,469 kWh units with the help of solar panels.

The other key initiatives across multiple areas are highlighted below -

HVAC – Your Company has undertaken initiatives such as Installation of VFD with solenoid valves for Compressor cooling water system, AC optimum utilization through installation of timer control units, etc.

Lighting – Similar to last year, your Company has continued the initiative to replace old lighting fittings with new-age energy efficient LED fittings within and outside some of our facilities. The installation of motion sensors at various locations has helped us to reduce the energy consumption at various sites.

Awareness Generation – This included improving awareness amongst employees to switch off major energy consuming equipment or units when idle as well as employing an energy review tool and energy balance tool to identify projects.

Apart from the above initiates, the Company also has a specific conservation of energy policy with SOPs to be followed. It is assured that the same are in place and adequate measures are taken to follow the SOPs.

B. Research & Development and Technology Absorption:

1. Research and Development (R&D): During the year the Company developed Bellows which is part of SOFC power unit manufactured by the Company instead of procurement from overseas.

2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: INR 7267.66 Mn

Foreign Exchange Outgo: INR 4264.55 Mn

28. COMMITTEES:

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following statutory Committees are constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- POSH Committee

Other than above committees, the Company has an internal non-statutory committee namely, Technology Committee.

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Integrated Report.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes a Code of Conduct for IDs, that suitably incorporates the duties of IDs as laid down in the Act. The same can be accessed at https://mtar.in/policies-related-documents/ . All Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2025-26.

The Managing Director has also confirmed and certified the same. The certification is enclosed as **Annexure B** to Report on Corporate Governance.

29. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has formulated a Vigil Mechanism/ Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation. The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee. The policy is available on the website of the Company at https://mtar.in/policies-related-documents/.

30. CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS REPORT:

The Company has attracted the provisions of Corporate Social Responsibility ("CSR") u/s 135 of Companies Act, 2013 and accordingly, has formed the CSR Committee to foresee the CSR activities, adopted the CSR policy and also created a separate bank account exclusively for CSR. The Report on Corporate Social Responsibility activities of the Company is enclosed as **Annexure IV.** Details of the CSR policy of the Company are available on our website https://mtar.in/policies-related-documents/ .

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the financial year 2025-26, your Company has spent Rs. 1,91,10,000/- (representing 2 % of the average net profit for the past the three financial years, being FY 2022-23, FY 2023-24 and FY 2024-25).

Corporate Social Responsibility continues to be the core value of your Company embedded in the value of caring, which focuses on 'serving and improving the communities in which we live.' The major areas of activities undertaken by the Company are education, employment enhancing vocational skills, art & culture, health care centers and voluntary support.

31. PUBLIC DEPOSITS:

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended 31st March, 2026, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) requisite returns in Form DPT-3, for the financial year 2025-26, for outstanding receipt of money/loan by the Company, which is not considered as deposits.

32. MATERNITY BENEFIT PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT, 1961 :

The Company confirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable.

The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

33. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:

During the year under review, the Company initiated a Scheme of Amalgamation involving its wholly owned subsidiaries, Gee Pee Aerospace and Defence Private Limited and Magnatar Aero Systems Private Limited, with MTAR Technologies Limited.

The Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench-II, vide its order dated April 29, 2026, allowed the application and dispensed with the requirement of convening the meetings of the shareholders and creditors of the respective companies. Further, vide order dated July 10, 2026, the Hon'ble NCLT admitted the petition filed in respect of the Scheme. The matter is presently pending before the Hon'ble NCLT for further hearings and passing of the final order.

34. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material observations have been noticed for inefficiency or inadequacy of such controls by the internal control auditor M/s. Pundarikashyam and Associates.

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as **Annexure V** and forms part of this Report.

35. INSURANCE:

The properties and assets of your Company are adequately insured.

36. CREDIT & GUARANTEE FACILITIES:

The Company has availed Working Capital and Term Loan facilities from State Bank of India, HDFC Bank, ICICI Bank Limited, Union Bank of India and Export- Import Bank of India and appointed SBICAP Trustee Company Limited as custodian of all security documents under Multiple Banking arrangements.

37. RISK MANAGEMENT POLICY:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities.

As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management periodically.

Risk Management Committee of your Company assists the Board in (a) overseeing and approving the Company's enterprise-wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, other risks have been identified and assessed, and there is an adequate risk management infrastructure in place capable of addressing those risks.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

38. SHARE CAPITAL:

During the year under review and as on the date of the report, there was no change in the authorised share capital of the Company which stands at Rs.66,00,00,000/- (Rupees Sixty-Six Crores Only) divided into 6,60,00,000 (Six Crore Sixty Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) each.

Further during the year under review and as on the date of this report there was no change in the paid-up share capital and the subscribed capital of the Company which stands at Rs. 30,75,95,910/- (Rupees Thirty Cores Seventy-Five Lakhs Ninety-Five Thousand Nine Hundred and Ten Only) divided into 3,07,59,591 (Three Crores Seven Lakhs Fifty-Nine Thousand Five Hundred and Ninety-One Only) equity shares of Rs.10/- (Rupees Ten Only) each.

39. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as **Annexure VI** for information of the Members.

A requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

40. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the provisions of SEBI (LODR) Regulations, 2015 provides an overview of the affairs of the Company, its legal status andautonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as **Annexure V** for information of the members.

41. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the applicable policies are available on our website https://mtar.in/policies-related-documents/

42. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution-free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

43. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

44. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The Board constituted its Internal Complaints Committee (ICC) to protect against sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

Constitution of Committee:

Name	Designation
J. Srilekha	Presiding Officer
*Priyanka Agarwal	Member
Ajayinder Talari	Member
Dr. Mahtab Bamji	External Member

*Appointed w.e.f. 02.02.2026

Ms. Naina Singh resigned as the Company Secretary, Compliance Officer and the Nodal Officer of the Company w.e.f. 20.01.2026, following which she ceased to be a member of the Committee.

All employees are covered under this policy. However, during the reporting period, the ICC received no complaints and no cases were pending for more than ninety (90) days.

46. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES(APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VII(a)** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure VII(b)**.

During the year, none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 other than those mentioned in **Annexure VII(b)**.

47. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of each Director to the median remuneration of the employees is as follows.

Director	Total Remuneration (Mn.)	Ratio to Median Remuneration
P. Srinivas Reddy	31.02	94:1
A. Praveen Kumar Reddy	9.91	30 : 1
Anushman Reddy	14.86	45 : 1

48. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at https://mtar.in/policies-related-documents/

49. DECLARATION FROM DIRECTORS:

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2025-26.

The Independent Directors of the Company have confirmed their independence in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder and the Listing Regulations.

The Company had obtained a certificate from an independent and reputed Practicing Company Secretaries Firm confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed and/or continuing as Directors by SEBI, MCA or any other such statutory authority.

50. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities except as mentioned:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option schem:NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA
8.Transfer of shares: Yes

51. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

No corporate insolvency resolution processes were initiated/ admitted against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

52. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS, IF ANY:

During the year under review, there has been no one-time settlement of loans taken from banks and financial Institutions.

53. MD & CFO CERTIFICATION:

As required by Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MD/CFO certification is attached as Annexure C to the Corporate Governance Report.

54. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which, in the judgment of the Board, may affect the independence of the Directors other than the Sitting fees, commission and reimbursement of expenses and related party transactions with necessary audit committee and Board approval and disclosure in Financial Statements.

55. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence industry based disclosures are not required.

56. FAILURE TO IMPLEMENT CORPORATE ACTIONS:

During the year under review, no corporate actions were done by the Company, which have failed to be implemented.

57. CREDIT RATING:

During the year under review, the ICRA Limited has reaffirmed the credit rating for banks facilities and the details of the same are mentioned below:

Instrument	Rated Amount (Rs. In Crores)	Rating Action
Long Term-Fund Based- Cash Credit	280.00	A (Stable); Reaffirmed
Long Term-Fund Based- Term Loan	108.49	A (Stable); Reaffirmed
Long Term / Short Term- Non Fund Based- others	200.00	A (Stable)/ A1; Reaffirmed
Long Term / Short Term- Unallocated Limits	81.51	A (Stable)/ A1; Reaffirmed
Total	**670.00**	

58. AGREEMENTS/MOU ENTERED BY THE COMPANY:

During the period under review, the Company has modified its previous agreements with Israel Aerospace Industries Ltd., Thales Global Services SAS and GKN Westland Aerospace Inc. to accomdate the revised scope of work.

There are no major agreements / MoUs entered by the Company except for the ones mentioned above.

59. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

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

Sd/-
Subbu Venkata Rama Behara
Chairman
(DIN: 00289721)

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

ANNEXURE I

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Company	L72200TG1999PLC032836	
2	Name of the Company	MTAR TECHNOLOGIES LIMITED	
3	Year of Incorporation	1999	
4	Registered Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037	
5	Corporate Office Address	18, Technocrats Industrial Estate, Balanagar , Hyderabad, Telangana-500037	
6	E-Mail	info@mtar.in	
7	Telephone	040-44553333	
8	Website	https://mtar.in/	
9	Financial Year for which Reporting is being done		
		Start date	End date
	Current Financial Year	01-04-2025	31-03-2026
	Previous Financial Year	01-04-2024	31-03-2025
	Prior to Previous Financial year	01-04-2023	31-03-2024
10	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Limited (NSE) b. BSE Limited (BSE)	
11	Paid-up Capital	Rs. 30,75,95,910	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Priyanka Agarwal Contact No: 040-44553333/23078312 email address: priyanka@mtar.in	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis	
14	Name of assessment or assurance provider	NA	
15	Type of assessment or assurance obtained	NA	

II. PRODUCTS/SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and precision Engineering	The Company is engaged in providing precision engineering solutions and manufacturing services to customers across strategic sectors, including Civil Nuclear Power, Space, Defence and Clean Energy. Its capabilities span advanced machining, specialised fabrication, assembly and testing, surface treatment and other special processes, enabling it to offer end-to-end manufacturing solutions.	100

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture and Machining of high precision for aerospace, aircraft, spacecraft components.	30305	29.85%
2	Manufacture of generators/generating sets for clean energy using hydrogen fuel cell technology	31101	70.15%

III. OPERATIONS

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

Location	Number of Plants	Number of offices	Total
National	11	1	12
International	0	0	0

19. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	11

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

83%

c. A brief on types of customers

The Company caters to a diverse customer base across strategic and technology-intensive sectors, including Civil Nuclear Power, Space & Defence and Clean Energy. Its customers include government and public sector organisations, space and defence establishments, large domestic and international original equipment manufacturers (OEMs), and other customers requiring precision engineering and specialised manufacturing solutions.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
			EMPLOYEES			
1	Permanent (D)	858	797	92.89%	61	7.11%
2	Other than Permanent (E)	45	44	97.78%	1	2.22%
3	**Total employees (D + E)**	**903**	**841**	**93.13%**	**62**	**6.87%**
			WORKERS			
4	Permanent (F)	463	463	100.00%	0	0.00%
5	Other than Permanent (G)	1196	1150	96.15%	46	3.85%
6	**Total employees (F+G)**	**1659**	**1613**	**97.23%**	**46**	**2.77%**

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
			DIFFERENTLY ABLED EMPLOYEES			
1	Permanent (D)	0	0	0.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	**Total differently abled employees (D+E)**	**0**	**0**	**0.00%**	**0**	**0.00%**
			DIFFERENTLY ABLED WORKERS			
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	**Total differently abled workers (F+G)**	**0**	**0**	**0.00%**	**0**	**0.00%**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	2	1	50.00%

22. Turnover rate for permanent employees and workers

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.17%	19.15%	22.91%	23.50%	1.80%	25.35%	4.70%	0.90%	5.60%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.85%	0.00%	0.85%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicating whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Gee Pee Aerospace and Defence Private Limited	Subsidiary	100%	No
2	Magnatar Aero System Private Limited	Subsidiary	100%	No

VI. CSR DETAILS

24. CSR Details

1	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
2	Turnover (in Rs.)	8,76,10,76,505
3	Net worth (in Rs.)	8,25,68,21,252

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism Place (Yes/No). (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://mtar.in/policies-related-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholers)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil
Customers		Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	Nil

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	R	Manufacturing operations involve machining, welding, fabrication, lifting and specialised processes that may expose employees to workplace hazards.	Safety management systems, Personal protective equipment, training, risk assessments, safety audits and incident reporting.	Negative Implications
2	Employee Welfare, Engagement & Skill Development	R&O	Availability and retention of skilled manpower is critical for precision engineering and specialised manufacturing operations.	Employee welfare initiatives, skill development, training, engagement and retention measures.	Positive Implications
3	Product Quality and Reliability	R	The Company serves strategic and technology-intensive sectors where product quality and reliability are critical.	Robust quality systems, inspection, testing, process controls and continuous improvement.	Negative Implications
4	Energy Consumption & Climate Change	R&O	Manufacturing operations require significant electricity and energy consumption.	Energy conservation initiatives, energy-efficient equipment and increased adoption of renewable/ clean energy.	Positive Implications
5	Environmental Management & Waste Generation	R	Manufacturing processes generate metal scrap, process waste and other waste requiring responsible management.	Waste segregation, recycling, authorised disposal and compliance monitoring.	Negative Implications
6	Ethical Business Conduct & Regulatory Compliance	R	The Company operates in highly regulated and strategic sectors with significant compliance requirements.	Code of Conduct, policies, internal controls, compliance mechanisms and awareness programmes.	Negative Implications
7	Responsible Supply Chain & Material Availability	R&O	Operations depend on the timely availability of specialised raw materials and components.	Supplier assessment, vendor development, alternate sourcing and proactive procurement planning.	Negative Implications
8	Human Rights, Labour Practices & Industrial Relations	R	Maintaining fair employment practices and constructive employee relations is important in manufacturing operations.	HR policies, grievance mechanisms, statutory compliance, employee engagement and industrial relations processes.	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Data Security & Protection of Confidential Information	R	The Company handles sensitive technical, customer and business information	IT controls, access management, cybersecurity measures and information-security practices.	Negative Implications
10	Business Continuity & Operational Resilience	R	Disruption in critical operations, supply chains or infrastructure may affect delivery commitments.	Business continuity planning, risk assessments, contingency planning and operational controls.	Negative Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

S.no.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1 (a)	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes								
1 (b)	**Has the policy been approved by the Board? (Yes/No)**	Yes								
1 (c)	**Web Link of the Policies, if available**	https://mtar.in/policies-related-documents/								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes								
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes								
4	**Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	The company has qualified for various management and quality standards such as •AS9100D •ISO 9001:2015 •ISO 45001:2018 •ISO/IEC 27001 : 2022 •ISO 14001:2015 •NADCAP •ISO 3834 & ISO 15085 •IPC 610, IPC 620								

S.no	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	The Company has established internal objectives across all departments to lower energy consumption, optimize raw material usage, ensure zero workplace incidents, and foster diversity and inclusion. Additionally, it aims to expand community engagement initiatives and integrate ESG (Environmental, Social, and Governance) principles into all areas of its operations.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	To achieve its sustainability goals, the Company has implemented solar power systems to cut down on energy usage. Efforts are consistently made to minimize raw material consumption, offering both economic and technical benefits. The Company upholds equal opportunity principles by promoting an inclusive workplace free from discrimination based on gender, religion, caste, region, or sexual orientation. Steps have been taken to build a diverse and cosmopolitan workforce, resulting in a higher number of female employees. Continuous monitoring is conducted to track progress toward ESG objectives.								
Governance, leadership and oversight										
7	**Statement by director responsble for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**	At MTAR, we believe that sustainable growth is built on responsible business practices, strong governance and a deep commitment to our people and communities. ESG continues to be an important part of our journey as we grow our business responsibly and create long-term value for all our stakeholders. During the year, we continued to strengthen our focus on environmental responsibility, workplace safety, employee development, ethical business practices and community development. We remain committed to minimising waste, promoting resource efficiency and fostering a safe and inclusive workplace. As we look ahead, we will continue to embed sustainability into our business decisions, with a focus on improving resource efficiency, reducing waste, enhancing safety and strengthening responsible business practices across our operations and value chain. We are confident that our continued focus on responsible growth will enable MTAR to create lasting value while contributing positively to our stakeholders, society and the environment.								
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Managing Director of the Company is highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).								
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, The Company's BR policies are implemented by the Managing Director of the Company. The CSR Committee and the Risk Management Committee evaluate sustainability related issues, from time to time.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies of the Company are approved and reviewed periodically by the Committee of the Board on need basis. During the review process effectiveness is evaluated and the new trends in markets are considered based on which amendments are made as may be necessary.																	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all applicable statutory and regulatory requirements relevant to the principles covered under the BRSR. During the year under review, there were no material instances of non-compliance requiring specific rectification.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. In the coming quarters the Company will approach for the independent assessment by external agency.								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness
Board of Directors	4	Changes in Companies Act, SEBI and other applicable regulations, Human Rights & Labour Standards, ESG & Sustainability Awareness, Whistle-blower / Vigil Mechanism & Familiarisation with Company's Business & Operations	100 %
Key Managerial Personnel	4	Changes in Companies Act, SEBI and other applicable regulations, Human Rights & Labour Standards, ESG & Sustainability Awareness, Whistle-blower / Vigil Mechanism & Familiarisation with Company's Business & Operations	100 %
Employees other than BoD and KMPs	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Prevention of Sexual Harassment (POSH), Safety and sustainability training	80%
Workers	4	Code of Conduct, Whistle-blower Policy of the Company, Human Rights Policies of the Company, Fire Safety & Emergency Response Training, Safety and sustainability training	80%

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

Monetary

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

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

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

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

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

No. Although MTAR Technologies Limited does not have a separate, standalone Anti-Corruption or Anti-Bribery Policy, the Company's Code of Conduct and Ethics Policy requires its Directors, KMPs, employees and workers to adhere to ethical, transparent and accountable business practices. Further, the Whistle-blower Policy provides a mechanism for employees and external stakeholders to report concerns relating to unethical practices, including bribery, corruption and other malpractices. These policies are applicable to the Directors, KMPs, employees and workers of the Company.

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

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

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

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

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

Not Applicable

8. Number of days of accounts payables

	FY 2025-26	FY 2024- 25
i) Accounts payable x 365 days	5,43,93,15,55,600.00	3,83,76,55,33,665.00
ii) Cost of goods/services procured	6,12,82,13,220.00	3,39,95,43,986.00
iii) Number of days of accounts payables	89	113

9. Open-ness of business - Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties.

Parameter	Metrics	FY 2025-26	FY 2024- 25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.00	0.00
	b. Number of trading houses where purchases are made from	0.00	0.00
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0.00	0.00

Parameter	Metrics	FY 2025-26	FY 2024- 25
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	0.00	0.00
	b. Number of dealers / distributors to whom sales are made	0.00	0.00
	c. Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	0.00	0.00
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.40%	0.94%
	b. Sales (Sales to related parties / Total Sales)	0.00	0.00
	c. Loans & advances (loans & advancesgiven to related parties / Total loans & advances)	0.00	0.00
	d.Investments (Investments in related parties / Total Investments made)	0.00	0.00

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	1.Compliance & Ethics 2.Human rights 3.Safety & Sustainability 4.Prevention of forced/child labour	80%

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

Yes, The Company's Code of Conduct mandates that board members and employees must steer clear of situations where their personal interests may interfere with the Company's interests. Directors are obligated to declare annually to the Board any significant interests whether direct, indirect, or on behalf of third parties in any transaction or issue that may have a direct impact on the Company.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

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

	FY 2025-26	PY 2024- 25	Details of improvements in environmental and social impacts
R&D	NIL	NIL	NA
Capex	NIL	NIL	NA

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

Yes

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

95.00%

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

(a) Plastics (including packaging): Plastic packaging waste is segregated at source and collected separately. Reusable packaging materials are reused within the Company, while the remaining plastic waste is handed over to authorized recyclers in accordance with applicable regulations. The Company also takes steps to reduce single-use plastics by using recyclable and biodegradable alternatives, wherever feasible.

(b) E-waste: Obsolete electronic items and equipment are identified and segregated separately and handed over to authorized e-waste recyclers for proper disposal. The Company maintains records of e-waste and ensures that its disposal is carried out in accordance with the applicable E-Waste Management Rules, with due care to minimize any impact on the environment.

(c) Hazardous waste: Hazardous waste, such as used oil, paints, chemicals and contaminated materials, is segregated and stored in designated areas using properly labelled and secure containers. The waste is disposed of through vendors authorized by the Pollution Control Board, in accordance with applicable regulations. Proper records and manifest tracking are maintained to ensure safe transportation and disposal of hazardous waste.

(d) other waste: Non-hazardous industrial waste, such as metal scrap, wood and packaging materials, is segregated at source. Metal scrap is handed over to authorized recyclers, while wood is reused for internal packaging or sent to authorized vendors for further use. Waste disposal is carried out in accordance with applicable environmental requirements and the Company's internal waste management practices.

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

No. EPR isn't applicable to the company as we do not manufacture any consumer products, there is no specific plastic, electrical and electronic item produced where EPR is pertinent under e-waste Management.

LEADERSHIP INDICATORS

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
No. The company has not led any sort of Life Cycle Assessments for products.					

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

Name of Product / Service	Description of the risk /Concern	Action taken
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY (2024-25)
Company’s manufacturing processes generates some amount of metal scrap for which engineering measures are taken on a continual basis to minimize waste generation. The scrap is disposed to agencies who subsequently recycle the same for further use as may be applicable.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY (2024-25)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable					
E waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3

BUSINESS SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	797	0	0.00%	797	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	61	0	0.00%	61	0.00%	61	100%	0	0.00%	0	0.00%
Total	858	0	0.00%	858	0.00%	61	7.11%	0	0.00%	0	0.00%

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent employees											
Male	44	0	0.00%	44	100%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0.00%	1	100%	1	100%	0	0.00%	0	0.00%
Total	45	0	0.00%	45	100%	1	2.22%	0	0.00%	0	0.00%

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

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternal benefits		Day Care Facilities	
		Number (B)	% B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	463	463	100%	463	100%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	463	463	100%	463	100%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent workers											
Male	1150	0	0.00%	1150	100%	0	0.00%	0	0.00%	0	0.00%
Female	46	0	0.00%	46	0.00%	46	100%	0	0.00%	0	0.00%
Total	1196	0	0.00%	1196	96.15%	46	3.85%	0	0.00%	0	0.00%

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

	FY 2025-26	FY (2024-25)
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers)	4,78,41,618.00	2,89,44,559.00
ii) Total revenue of the company	8,76,10,76,505.00	6,75,95,67,788.00
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.55%	0.43%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2025-26			FY (2024-25)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	NA	100.00%	100.00%	NA
ESI	25.58%	40.86%	Yes	21.00%	33.00%	Yes
Others please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

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

MTAR's Human Rights Policy provides for a work environment free from discrimination or harassment, including on the basis of disability, and commits to providing equal opportunities to all stakeholders irrespective of disability. https://mtar.in/wp-content/uploads/2025/03/Human-Rights-Policy.pdf

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

	Permanent employees		Non-Permanent employees	
Gender	**Return to work rate**	**Retention Rate**	**Return to work rate**	**Retention Rate**
Male	0	0	0	0
Female	0	0	0	0
Total	0%	0%	0%	0%

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievance redressal mechanism with procedure for raising, escalation and redressal; detailed in Code of Conduct.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26			FY 2024-25		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B /A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**858**	**0**	**0%**	**698**	0	**0%**
Male	797	0	0%	668	0	0%
Female	61	0	0%	30	0	0%
Total Permanent Workers	**463**	**463**	**100%**	**482**	**482**	**100%**
Male	463	463	100%	482	482	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	841	620	73.72%	560	66.59%	707	600	84.87%	540	76.38%
Female	62	58	93.55%	48	77.42%	31	29	93.55%	25	80.65%
Total	**903**	**678**	**75.08%**	**608**	**67.33%**	**738**	**629**	**85.23%**	**565**	**76.56%**
Workers										
Male	1567	1200	76.58%	1000	63.82%	1351	1190	88.08%	1050	77.72%
Female	46	40	86.96%	38	82.61%	29	26	89.66%	25	86.21%
Total	**1613**	**1240**	**76.88%**	**1038**	**64.35%**	**1380**	**1216**	**88.12%**	**1075**	**77.90%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY (2024-25)		
	Total (A)	No. (B)	% (B /A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	841	671	79.79%	707	551	77.93%
Female	62	35	56.45%	31	24	77.42%
Total	903	706	78.18%	738	575	77.91%
Workers						
Male	1567	808	51.56%	1351	1351	100.00%
Female	46	38	82.61%	29	29	100.00%
Total	**1613**	**846**	**52.45%**	**1380**	**1380**	**100.00%**

10. Health and safety management system:

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

Yes, occupational health and safety management system has been implemented and the company is certified for ISO 45001:2018

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

Work-related hazards and risks are identified through regular workplace inspections, risk assessments, safety audits and incident investigations, covering both routine and non-routine activities.

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

Yes, the Company has processes for workers to report work related hazards for mitigating such risks.

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

Yes, The Workers of the company have access to non-occupational medical and healthcare services and are also covered under Group Medical as well as Accident Insurance Policies by the Company.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2025-26	FY (2024-25)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	2.59	4.54
Total recordable work related injuries	Employees	0	0
	Workers	7	2
No. of fatalities	Employees	0	0
	Workers	0	1

High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Management is strongly committed towards EHS by having risk management process in place to identify hazards and act towards minimising risk. The risk management process has five steps-Identification, Assessment, Mitigation, Monitoring and Reporting. All the stakeholders involved participate in the risk assessment as well as implementation of mitigation measures.

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

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

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All the safety related incidents are investigated properly as per the defined process. Appropriate corrective as well as preventive actions in line with our EHS standards are designed and implemented after Root Cause analysis is done.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Employees	No
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that all relevant clauses relating to statutory compliance are met. These are a standard feature in our contracts / orders and bills are processed subject to compliance requirements being met.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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

The Company provides transition assistance programmes to facilitate continued employability and the management of careers till retirement.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	0.00%
Working Conditions	0.00%

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

All safety related incidents are thoroughly investigated following the defined internal procedures. Based on the findings, suitable corrective and preventive action plans are developed and implemented to mitigate risks and enhance workplace safety.

Health & Safety

Adequate placement of first aid kits, fire prevention systems, firefighting equipment, and engineering controls are ensured to uphold a safe and healthy work environment.

Personal Protective Equipment (PPE) is issued to all employees. Regular training and awareness programs are conducted to ensure proper usage and adherence to safety standards.

Working Conditions

All employees are compensated in accordance with statutory minimum wage requirements.

Eligible employees are provided with statutory social security and welfare benefits, including Provident Fund (PF), Employees' State Insurance (ESI), Gratuity, and Bonus.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

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

The Company identifies key stakeholder groups based on their level of influence on, and impact from, its operations, business activities and value creation. The process considers stakeholders who directly or indirectly contribute to or are affected by the Company's activities. Key stakeholder groups identified include regulators, customers, suppliers, employees, local communities and other relevant stakeholders. The Company periodically reviews its stakeholder groups based on changes in its business operations and stakeholder expectations.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Notice Board, Emails	Regularly	Engagement through CEO/MD messages, communication from unit heads, training programs, and employee-focused initiatives.
Community	No	Community Meetings	Need based	Regular support for community development in education, healthcare, and sanitation through partnerships (e.g., St. Jude India, Bright Future, Parampara Foundation). Activities include providing sanitary products, skill training for college apprentices, and relationship-building programs.
Suppliers	No	E-mail	Regularly	Engagement through grievance handling, supply chain queries, and review meetings with the SCM Head.
Investors or external channels	No	Investor & earning calls, press release	Regularly	Engagement through MIS before listing, email updates, analyst interactions, press releases, annual reports, and official presentations.
Shareholders	No	Public Media	Regularly	Sharing statutory updates and performance reviews of the company, quarterly, annually and periodic compliances

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company engages with relevant stakeholders through structured interactions, including meetings, discussions, feedback mechanisms, employee engagement initiatives, customer and supplier interactions, and CSR/community engagement programmes.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, The Company considers stakeholder inputs in identifying and managing relevant environmental and social topics. Feedback received through interactions with employees, customers, suppliers, local communities and other relevant stakeholders is reviewed and considered while developing and implementing relevant policies, initiatives and activities. Such inputs are incorporated, wherever relevant, to strengthen the Company's environmental and social practices and address stakeholder expectations.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company engages with vulnerable and marginalized stakeholder groups, including local communities and other identified groups, through appropriate interactions and community-focused initiatives. The concerns and needs identified through such engagements are considered while planning and implementing relevant CSR and community development initiatives. The Company undertakes measures, wherever applicable, to support the well-being and development of such stakeholder groups.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

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

Category	FY (2025-26)			FY (2024-25)		
	Total (A)	No. of employees /workers covered (B)	% (B /A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	858	600	69.93%	698	590	84.53%
Other than permanent	45	40	88.89%	40	35	87.50%
Total Employees	**903**	**640**	**70.87%**	**738**	**625**	**84.69%**
Workers						
Permanent	463	463	100.00%	482	420	87.14%
Other than permanent	1196	800	66.89%	898	795	88.53%
Total Workers	**1659**	**1263**	**76.13%**	**1380**	**1215**	**88.04%**

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

Category	FY (2025-26)					FY (2024-25)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**858**	**0**	**0.00%**	**858**	**100.00%**	**698**	**0**	**0.00%**	**698**	**100.00%**
Male	797	0	0.00%	797	100.00%	668	0	0.00%	668	100.00%
Female	61	0	0.00%	61	100.00%	30	0	0.00%	30	100.00%
Other than Permanent	**45**	**0**	**0.00%**	**45**	**100.00%**	40	0	0.00%	40	100.00%
Male	44	0	0.00%	44	100.00%	39	0	0.00%	39	100.00%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Workers										
Permanent	**463**	**0**	**0.00%**	**463**	**100.00%**	**482**	**0**	**0.00%**	**482**	**100.00%**
Male	463	0	0.00%	463	100.00%	482	0	0.00%	482	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	**1196**	**0**	**0.00%**	**1196**	**100.00%**	**898**	0	0.00%	**898**	100.00%
Male	1150	0	0.00%	1150	100.00%	869	0	0.00%	869	100.00%
Female	46	0	0.00%	46	100.00%	29	0	0.00%	29	100.00%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	1,20,78,000	0	-
Key Managerial Personnel	1	2,09,54,145	1	8,99,882
Employees other than BoD and KMP	837	4,04,585	61	1,43,890
Permanent Workers	1,567	3,12,808	46	1,79,185

b. Gross wages paid to females:

	FY (2025-26)	FY (2024-25)
Gross wages paid to females	2,53,28,942.00	1,50,69,517.00
Total wages	1,10,92,84,374.00	92,60,46,310.00
Gross wages paid to females (Gross wages paid to females as % of total wages)	2.28%	1.63%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

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

MTAR addresses all human rights impacts of the business. All grievances received are recorded, duly analysed, investigated and suitable actions as appropriate are taken to resolve them.

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

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

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

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

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

The Company has policies in place such as Prevention of Sexual Harassment Policy, Code of Conduct which require employees to behave responsibly in their action and conduct. The Whistle Blower policy allows the employees to report incidents which are unethical or discriminatory. The Company also has an Internal Complaints Committee for the protection of women at workplace.

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

Yes, adherence to required compliance including child labour, forced labour and human rights form a part of the Company's business agreements and contracts.

10. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 %
Forced/involuntary labour	100 %
Sexual harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others – please specify	100 %

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks / concerns.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances /complaints.

No complaints have been received for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The organization adheres to the standards and approaches laid out for the employees, workers and associates, which are extended across the value chain partners representatives. All the concerned entities adhere to the ethical conduct of business.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers. Such arrangements include easily accessible offices, entrances, doors and availability of ramps and elevators etc.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	0.00%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

Not Applicable

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Whether total energy consumption and energy intensity is applicable to the company?
Yes

Revenue from operations (in Rs.)	FY (2025-26)	FY (2024-25)
	8,76,10,76,505.00	6,75,95,67,788.00

Parameter	FY (2025-26)	FY (2024-25)
From renewable sources [In Gigajoule (GJ)]		
Total electricity consumption (A)	4220.89	4909.13
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	4220.89	4909.13

From non-renewable sources [In Gigajoule (GJ)]		
Total electricity consumption (D)	66,272.36	55,428.54
Total fuel consumption (E)	8,652.43	3,737.20
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	74,924.80	59,165.74
Total energy consumed (A+B+C+D+E+F)	79,145.69	64,074.87
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000090338	0.0000094791
"Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)"	0.000187	0.0006918773
Energy intensity in terms of physical Output	0.043331	0.001384
Energy intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY (2025-26)	FY (2024-25)
Water withdrawal by source (in kilolitres)		
(I) Surface water	14,760.00	12,831.00
(ii) Groundwater	1,040.00	52,000.00
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**15,800.00**	**64,831.00**
Total volume of water consumption (in kilolitres)	**15,800.00**	**64,831.00**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000018036	0.000009591
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000009591	0
Water intensity in terms of physical output	0.32866	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	**1030.00**	**1688.00**
No treatment	0	0
With treatment – please specify level of treatment	1030.00	1688.00
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**1030.00**	**1688.00**

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

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

No.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

Yes

Parameter	Please specify unit	FY (2025-26)	FY (2024-25)
NOx	ug/m3	19.71	52.00
SOx	ug/m3	18.83	49.00
Particulate matter (PM)	ug/m3	39.35	52.00
Persistent organic pollutants (POP)	ug/m3	0.00	0.00
Volatile organic compounds (VOC)	ug/m3	0.00	0.00
Hazardous air pollutants (HAP)	ug/m3	0.00	0.00
Others-Please specify	ug/m3	-	-

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

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the company?

Yes

Parameter	Unit	FY (2025-26)	FY (2024-25)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	322.06	280.07
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	15,095.37	12,625.39
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e / Rs.	0.0000017598	0.0000019092
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO2e / Rs.	0.00003636	0.0014794431
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e	0.038086	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO2e	0.00	0.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

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

Some of our products and their development are our major contribution towards clean technology thereby contributing to reduction in global carbon footprint and greenhouse emissions. As part of our green initiative as well as thrust towards renewable energy, we have set up solar rooftop panels across the units for captive power generation and switched over to LED lights.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY (2025-26)	FY (2024-25)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	364.00	1,688.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. By materials relevant to the sector)	1,720.00	1,389.00
Total (A+B + C + D + E + F + G+H)	**2,084.00**	**3,077.00**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000002378	0.0000004552
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000002378	0.0000004552
Waste intensity in terms of physical output	0.043331	1.64
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1720.00	1,389.00
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**1720.00**	**1,389.00**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows waste segregation, reduction, recycling and environmentally sound disposal practices. Recyclable scrap is channelised through authorised recyclers, while hazardous waste is handled and disposed of through authorised agencies in accordance with applicable regulations. The Company also focuses on process optimisation and efficient material utilisation to minimise waste and reduce the use of hazardous materials.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval/ clearance are being complied with? If no, the reasons thereofnd coreective action taken, if any.
Not Applicable			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No environmental impact assessments were required based on applicable law.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	All the units under the entity are in compliance with the applicable environmental laws/regulations and guidelines as per the national and state level mandates.			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information : **NA**
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY (2025-26)	FY (2024-25)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY (2025-26)	FY (2024-25)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	MtCO2e	1470.400	1126.11
Total Scope 3 emissions per rupee of turnover	MtCO2e/Rs.	0.000016783	0.0014794431
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **(No)**

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken	Details of the initiative (Web link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has emergency preparedness plans in place to deal with any sort of emergency situations, hazards & risks, including the provision for first aid. Relevant information and Basic training related to emergency preparedness and response is provided to the employees where the duties and responsibilities of various entities are communicated. In case of occurrence of any unfortunate incident in the plant, proper analysis is carried out and appropriate preventive measures are initiated to avoid recurrence in future.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact reported from any value chain partners.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

As of now, the Company does not have any formal assessment mechanism to monitor the environmental impact of value chain partners' activities. However The code of conduct and ethics policy is applicable to all the business partners which urges one to align their goals with that of the socio-environment regulations.

8. How many Green Credits have been generated or procured:

a. By the listed entity: Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not Available

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

MTAR has 4 affiliations with trade and industry chambers/ associations.

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

S .No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Society of Indian Defence Manufacturer	National
3	The Federation of Telangana Chambers of Commerce and Industry	State
4	Export Promotion Council	National

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

Name of the authority	Brief of the case	Corrective action taken
The company has not engaged in any anti-competitive conduct		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others– please specify)	Web Link, if available
1	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8

BUSINESS SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

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

Name and brief details of project	S/A Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable for this reporting period					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

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

A Grievance redressal policy for the community is in place, including mechanisms and procedure for raising of grievances /complaints as well as their escalation and redressal in line with the Code of Conduct of the Company.

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

	FY (2025-26)	FY (2024-25)
Directly sourced from MSMEs/ small producer	31.37%	20.55%
Sourced directly from within the district and neighbouring districts	28.85%	13.22%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

	FY (2025-26)	FY (2024-25)
1. Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Rural areas	0.00	0.00
2. Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Semi-Urban areas	0.00	0.00
3. Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1,48,83,40,000.00	1,22,16,60,000.00
ii) Total Wage Cost	1,48,83,40,000.00	1,22,16,60,000.00
iii) % of Job creation in Urban areas	100.00%	100.00%
4. Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.00	0.00
ii) Total Wage Cost	0.00	0.00
iii) % of Job creation in Metropolitan area	0.00	0.00

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Date of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Telangana	Hyderabad	0.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Ours being a highly technical domain dealing with a niche clientele, the suppliers are often limited to those who are qualified by the customer.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

0.00%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

S. No.	Name of authority	Brief of the Case	Corrective action taken
1	Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Ekam Foundation-Education Support Program	91	100%
2	3.2.1 Education Foundation	302	100%
3	Bright Future	214	100%
4	Agastya Interna-tional Foundation	24,679	100%
5	Dangoria Charitable Trust	40	100%
6	Friends of Max	297	100%
7	St. Judes	294	100%
8	Parampara Foundation	1000	100%
9	Cardiac Rehab Foundation	1800	100%
10	Friends of Max	297	100%
11	Apprentices Training	40	100%
12	MTAR Voluntary Week	1500	20.00%

PRINCIPLE 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumers/Public are furnished with various choices to interface with the Organization through email, phone, and site. The Company has a committed personnel to respond to their queries and receive feedback in order to improve its services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company has a wide range of product across different segments
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential	Nil	Nil	Nil	Nil	Nil	Nil
services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

Yes, the Company is certified for ISO/IEC 27001 : 2022 for Information Security and has a policy in place to provide the framework for cyber security. https://mtar.in/policies-related-documents/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0%
c. Impact, if any, of the data breaches	Nil

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

The Company's business offerings can be found on the website- https://mtar.in/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All Business segments of the Company comply with the regulations and relevant voluntary codes concerning the communications and pitch designed for the consumers. The Company's communications are aimed to enable the customers to make informed purchase decisions.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The company works on make to order system, however the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable, as the Company operates in B2B model.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

No

ANNEXURE II

FORM MR-3

Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

To,
The Members
MTAR Technologies Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. MTAR Technologies Limited (hereinafter called "the Company") for the financial year ended 31st March, 2026. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the Financial Year commencing from 01st April, 2025 and ended 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under:

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

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

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

2. 2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2025-26: -

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
Complied with yearly and event-based disclosures, wherever applicable.

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., https://mtar.in/ . *However, there is a violation of this code of conduct by the designated persons during the year under the review as disclosed in the report below.*

iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
Not Applicable as the Company has not issued any Capital during the year under review.

iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
Not Applicable as the Company has not issued any Employee Stock Options during the year under review.

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable as the Company has not issued any debt securities during the year under review.

vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFin Technologies Limited as its Registrar and Share Transfer Agent.

vii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.

ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable

x. **Other applicable laws include the following**
1. Code on Wages
2. Industrial Relations Code
3. Code on Social Security, and
4. Occupational Safety, Health and Working Conditions Code (OSHWC Code).

Environmental Laws
1.Water (Prevention and Control of Pollution) Cess Act, 1977;
2.Air (Prevention and Control of Pollution) Act, 1981;
3.Environment (Protection) Act, 1986;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

a) During the year the Company has conducted Four (4) meetings of the Board of Directors, Four (4) Meetings of Audit Committee meeting, Three (3) Meetings Nomination and Remuneration Committee, Two (2) Meetings of Risk Management Committee, One (1) Meeting of Stakeholder Relationship Committee, One (1) Meetings of Corporate Social Responsibility Committee, One (1) Meeting of Technology Committee and Two (2) Meetings of Independent Directors.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
• External Commercial Borrowings were not attracted to the Company under the financial year under report;
• Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
• Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

• Mr. Gunneswara Rao Pusarla is the Chief Financial Officer of the Company; Mr. Raja Sheker Bollampally is the Chief Operating Officer of the Company and Mrs. Priyanka Agarwal is the Company Secretary and Compliance Officer of the Company.

• The Company has Internal Auditors Namely M/s. Seshachalam & Co., Chartered Accountants, Hyderabad, Secretarial Auditors Namely M/s. S.S. Reddy & Associates, Practicing Company Secretaries, Hyderabad and Cost Auditors Namely M/s Sagar & Associates.

• The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013 and rules made thereunder.

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

• Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

• As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

• We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchanges i.e., BSE and NSE.

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

• The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

Observations/ Non-Compliances/ Adverse Remarks/ Qualifications in respect of the Companies Act, 2013 and SEBI Act, Regulations, Rules, Guidelines, Notifications, Circulars made there under are as follows:

a) As per Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to submit the disclosure of Related Party Transactions (RPT) for the half year ended September 30, 2025, simultaneously along with the XBRL of financial results, which was already filed on the BSE Limited. However, there was a delay of one day in the submission of the said XBRL of Integrated Financials (which included both the results and the RPT disclosure) on the National Stock Exchange of India Limited (NSE) for which a fine of Rs. 5000/- (Rupees Five Thousand Only) excluding GST was levied by the NSE. The Company has paid the fine and complied by making the requisite disclosure.

b) During the period under review, two (2) instances of non-compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders, and the requirements of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020, were observed, as detailed below:

• Trading in the equity shares of the Company without obtaining prior pre-clearance from the Compliance Officer and entering into contra trade transactions by the following designated persons: Mr. Mutyala Ramana Reddy, Mr. Sidda Reddy Doggala, and Mr. Raja Sheker Bollampally. The Board considered the said transaction and imposed a penalty aggregating to an amount of Rs. 1,79,998/- (Rupees One Lakhs Seventy-Nine Thousand Nine Hundred and Ninety-Eight Only), being the profits arising from such transaction(s), which was remitted by the designated persons to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated February 7, 2026.

• Trading in the equity shares of the Company without obtaining prior pre-clearance, including entering into contra trade transactions, by Mr. Sidda Reddy Doggala, a designated person. The profit earned from the transaction, together with the penalty levied by the Board, aggregating to Rs. 92,501.21/- (Rupees Ninety-Two Thousand Five Hundred and One Only and Twenty-One Paise), was remitted by the designated person to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated May 25, 2026.

For S.S. Reddy & Associates

Sd/-
S. Sarweswara Reddy
Practicing Company Secretary
M. No. A12619, C.P. No: 7478
UDIN: F012619H000961666
PR No.: 8202/2026

Place: Hyderabad
Date: 28.07.2026

Annexure A

Annexure to the Secretarial Audit Report

To
The Members of
MTAR Technologies Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.

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

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

6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associates

Sd/-
S. Sarweswara Reddy
Practicing Company Secretary
M. No. A12619, C.P. No: 7478
UDIN: F012619H000961666
PR No.: 8202/2026

Place: Hyderabad
Date: 28.07.2026

ANNEXURE III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

Name of the Company: MTAR Technologies Limited

1. Details of contracts or arrangements or transactions not at arm's length basis : **Not Applicable as all the Related Party Transactions have been entered into at an arm's length basis.**

PARTICULARS	DETAILS
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Nil
Name(s) of the related party	
Nature of relationship	
Nature of contracts/ arrangements/ transaction	
Duration of the contracts / arrangements/ transaction	
Salient terms of the contracts or arrangements or transactions including actual / expected contractual arm	
Justification for entering into such contracts or arrangements or transactions	
Date of approval by the Board (DD/MM/YYYY)	
Amount paid as advances, if	
Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	
SRN of MGT-14	

2. Details of material contracts or arrangement or transactions at arms length basis:

Corporate Identity Number (CIN)	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Date of approval by the Board (DD/MM/ YYYY)	Amount paid in advance
U29308TG2019PTC136567	Magnatar Aero Systems Private Limited	Wholly Owned Subsidiary	Reimbursable Expenditure incurred on behalf of Magnatar	FY 2025-26	Not Applicable	22-05-2025	NIL
U29100TG1988PTC008777	Gee Pee Aero-space & Defence Private Limited-	Wholly Owned Subsidiary	Sale, Purchase and supply of any goods or materials	FY 2025-26		22-05-2025	
U29100TG1988PTC008777	Gee Pee Aero-space & Defence Private Limited-	Wholly Owned Subsidiary	Advance (in nature of trade)	FY 2025-26		22-05-2025	
NA	K. Shalini Reddy	Promoter	Rent	FY 2025-26		22-05-2025	
L67120TG1994PLC016930	Nettlinx Limited	Promoter Group Interested Entity	Rendering of service (Internet service provider- ISP)	FY 2025-26		22-05-2025	

During the financial year 2025-26, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

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

Sd/-
Subbu Venkata Rama Behara
Chairman
(DIN: 00289721)

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

ANNEXURE IV

Report on CSR Activities

[Pursuant to section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/ proposed to be undertaken:

As an integral part of our commitment to good corporate citizenship, the Company believes in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Our Company clearly recognizes the long-term benefits of such an association over tangible results in the short-term, and strongly believes that the spend of contribution in all CSR activities would always depend on identifying the right projects. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive to our key stakeholders- the communities, especially those from socially and economically disadvantaged groups. CSR at the Company shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives. Corporate citizenship is a natural extension of the Company's values and personality. For a brand that is all about dependability, your Company recognizes the symbiotic relationship between the various stakeholders to strengthen communities.

Discovering once again the social responsibility of developing economic, social and environmental capital towards sustainability, MTAR Technologies Limited crafted CSR projects in achieving the mission. MTAR Technologies Limited believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy.

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and society. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into Company's business process.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 ('the Act'). Our Company is focused on working on projects that have a high impact on the communities in which we live and operate. The major areas of activities undertaken by the Company are towards the education, employment enhancing vocational skills, art & culture, health care centers, voluntary support, across all your Company's locations.

Additionally, your Company is committed to the active involvement and participation of its employees in its Corporate Social Responsibility initiatives through the MTAR Voluntary week initiative.

2. Composition of CSR Committee:

The details of the composition of the committee are given below:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. U.C. Muktibodh	Chairman, Independent Director	1	1
2.	Mr. V.G. Sekaran	Member, Independent Director	1	1
3.	Mr. Anushman Reddy	Member, Whole Time Director	1	1

Note: The Meeting of the Committee was held on 22.05.2025.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Committee has formulated a CSR Policy inter-alia indicating the CSR activities to be undertaken by your Company as per the Companies Act, 2013. The Committee reviews and recommends the amount of expenditure and CSR activities to be undertaken by your Company. The Committee also monitors the implementation of the CSR Policy of your Company from time to time. Details of the Policy of your Company are available at https://mtar.in/policies-related-documents/. Details of various CSR initiatives undertaken by your Company are provided in Business Responsibility and Sustainability Report of the Company for FY 2025-26 and are also available at https://mtar.in/business-responsibility-sustainability-reports/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable since the Company's average CSR obligation is less than Rupees Ten Crores in the three immediately preceding financial years.

5.

Sl. No.	Particulars	Amount in Rs.
(a)	Average net profits of the company for last three financial years as per section 135(5)	95,52,43,333
(b)	Two percent of average net profit of the company as per section 135(5)	1,91,04,867
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
(d)	Amount required to be set off for the financial year, if any	27,90,226
(e)	Total CSR obligation for the financial year (b+c-d)	*1,63,14,641

**The CSR obligation mentioned herein is after considering the eligible set-off, whereas the CSR obligation disclosed in the financial statements is based on 2% of the average net profits as computed in accordance with Section 135 of the Companies Act, 2013.*

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 1,91,10,000
b) Amount spent in Administrative overheads: Nil
c) Amount spent on Impact Assessment, if applicable: Not Applicable
d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 1,91,10,000
e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,91,10,000	NIL	NA	NA	NA	NA

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per section 135(5)	1,91,04,867
(ii)	Total CSR obligation for the financial year 2025-26 After set off from previous years	1,63,14,641
(iii)	Total amount spent for the Financial Year	1,91,10,000
(iv)	Excess amount spent for the financial year [(iii)-(ii)]	27,95,359
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(vi)	Amount available for set off in succeeding financial years	27,95,359

g) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Pre-ceding Financial Year	Amount trans-ferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account un-der sub¬sec-tion (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeed-ing financial years. (in Rs.)	Defi-ciency, if any
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
NA									

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable as the Company has spent the entire CSR obligation.

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

Sd/-
U. C. Muktibodh
Chairman CSR Committee
(DIN: 06558392)

Sd/ -
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

ANNEXURE V

Management Discussion and Analysis

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation that provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is covered in corporate overview section (Refer page no. 50 to 65).

ANNEXURE VI

Corporate Governance

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at MTAR Technologies Limited as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Code of Governance is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, associates and community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of good corporate governance. The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good corporate governance is a continuous process and strives to improve the corporate governance practices to meet shareholder's expectations.

BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors. The policy on Board Diversity is available on our website, https://mtar.in/

DATE OF REPORT:

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2026. The Report is updated as on the date of the report wherever applicable.

2. BOARD OF DIRECTORS:

(a) COMPOSITION AND CATEGORY OF DIRECTORS

The composition of the Board of Directors of the Company is an appropriate combination of executive and non-executive Directors with the right element of independence. As on date, the Company's Board comprises of 9 (nine) Directors, including one Managing Director (promoter category), two Executive Whole-time Directors (promoter category) and a Non-Executive Director (promoter category). In addition, there are 5 (Five) Independent Directors including one-woman Independent Director on the Board of the Company. In terms of clause 17(1)(b) of SEBI (LODR) Regulations, 2015, the Company is required to have one third of total Directors as Independent Directors. The Non-Executive Directors are appointed or re-appointed based on the recommendation of the Nomination and Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the Directors other than Independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders. The composition and the category of directors are shown in **Table 1.**

(b) ATTENDANCE OF EACH DIRECTOR AT THE MEETING OF THE BOARD OF DIRECTORS AND THE LAST ANNUAL GENERAL MEETING:

The attendance of the directors at Board Meetings conducted during the year and at last Annual General Meeting is shown in **Table 1.**

Table 1

Name of Director	Reltionship between directors inter se	Category	No. of Meet-ings Held	No. of Meetings Attended	Whether Attended Last AGM 08.09.2025	#No. of Di-rectorship held in Public Companies	##No. of other Committee Membe-ships in Compnies	##No. of other Committee Chairman-ships
Mr. B.V.R Subbu	NIL	NED & ID	4	4	Yes	3	6	2
Mr. A. Krishna Kumar	NIL	NED & ID	4	4	Yes	3	4	1
Mr. V.G. Sekaran	NIL	NED & ID	4	4	Yes	2	1	Nil
Mrs. Ameeta Chatterjee	NIL	NED & ID	4	4	Yes	3	2	Nil
Mr. U.C Muktibodh	NIL	NED & ID	4	4	Yes	2	1	Nil
Mr. P. Srinivas Reddy	Related to Mr. Rohith Loka Reddy	MD & Promoter	4	4	Yes	2	1	Nil
Mr. A. Praveen Kumar Reddy	Related to Mr. Anushman Reddy	WTD	4	4	Yes	1	Nil	Nil
Mr. Rohith Loka Reddy	Related to Mr. P. Srinivas Reddy	NED & Non –ID	4	4	Yes	2	Nil	Nil
Mr. Anushman Reddy	Related to Mr. A Praveen Reddy	WTD	4	3	No	1	Nil	Nil

including directorship in MTAR Technologies Limited
##includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies including MTAR Technologies Limited and the chairmanship in the committees includes the membership in such committees.

NED – Non-Executive Director
MD- Managing Director
ID –Independent Non-Executive Director
WTD – Whole-Time Director

(c) NUMBER OF OTHER BOARD OF DIRECTORS OR COMMITTEES IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON:

As mandated by the SEBI (LODR) Regulations, 2015, none of the directors are members of more than ten Board-level committees nor they are the chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, they do not serve as independent director in more than three listed companies. The name of other listed entities where directors of the Company are directors and the category of directorship are shown in **Table 2**.

Table 2

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. B.V.R Subbu	Gabriel India Limited	Independent Director
	DCM Shriram Fine Chemicals Limited	Independent Director
Mr. A. Krishna Kumar	Zaggle Prepaid Ocean Services Limited	Independent Director
	UCO Bank	Independent Director
Mr. V.G. Sekaran	Premier Explosives Limited	Independent Director
Mrs. Ameeta Chatterjee	Jubilant Ingrevia Limited	Independent Director
Mr. U.C Muktibodh	KSB Limited	Independent Director
Mr. P. Srinivas Reddy	Ravileela Granites Limited	Non-Executive & Non- Independent Director
Mr. A. Praveen Kumar Reddy	-	-
Mr. Rohith Loka Reddy	Nettlinx Limited	Managing Director
Mr. Anushman Reddy	-	-

d) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

The Board of Directors duly met Four (4) times during the financial year 2025-26. The dates on which the meetings were held are 22nd May 2025, 05th August 2025, 05th November 2025 and 29th January 2026. All the meetings were conducted through Physical mode and arrangement for audio-visual means was also made for those directors who could not attend the meeting physically during the FY 2025-26.

(e) DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

TThe relationship between the Board of Directors inter-se is shown in **Table 1.**

(f) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:

None of the non-executive directors of the Company are holding any shares in the Company.

(g) WEB LINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2025-26, there has been no change in the independent directors of the Company. The details of familiarisation programmes imparted to independent directors is available on our company website at www.mtar.in

(h) DETAILS OF SKILLS/EXPERTISE/COMPETENCE MATRIX OF THE BOARD OF DIRECTORS:

Sl. No.	Name of the Director	Skills/Expertise/Competence in specific functional areas
1	Mr. B V R Subbu	Specialisation in Economics, International Trade, Automobile Technology.
2	Mr. A. Krishna Kumar	Specialisation in Economics, Banking and Finance.
3	Mr. V.G. Sekaran	Mechanical Engineering, Specialisation in Aeronautical Engineering, Design and Technology Development of Indigenous long range Strategic Missile System.
4	Mrs. Ameeta Chatterjee	Commerce, Investments and Acquisitions, Finance and Accounting.
5	Mr. U.C Muktibodh	Specialisation in Mechanical Engineering, Nuclear Scientist, Design, Development and Engineering of various Nuclear and Conventional Systems.
6	Mr. P. Srinivas Reddy	Engineering, Specialisation in Industrial Production and Engineering, General Management, Operations and Corporate Strategy.
7	Mr. Rohith Loka reddy	Excels in financial portfolio management, distressed entity acquisition, business transformation leadership, investment and risk management.
8	Mr. A. Praveen Kumar Reddy	Engineering, Specialisation in Electronics and Communication, Manufacturing and Production.
9	Mr. Anushman Reddy	Mechanical Engineering, Global Supply chain management including AeroVironment.

(i) CONFIRMATION BY THE BOARD:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

(j) RESIGNATION OF INDEPENDENT DIRECTOR

During the financial year 2025-26, there has been no resignation of the Independent Director before the expiry of his/her tenure, hence, there was no requirement of receiving the confirmation from the Independent Directors.

(k) INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly board meetings, encompassing all facets of the Company’s operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc.

(l) DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Companies Act, 2013.

(m) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to provisions of Regulation 17(10) of the SEBI (LODR) Regulations, 2015 and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2025-26 on 5th November, 2025 & 17th February, 2026 involving the following:

i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

ii. Evaluation of the Board of Directors, its committees and individual directors, including the role of the Board Chairman. An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on 5th November, 2025 & 17th February, 2026, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole.

i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Disclosures as prescribed under SEBI circular SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	There were no observations requiring action to be taken.
Proposed actions based on current year observations	Not applicable since, there were no observations.

3. COMMITTEES OF THE BOARD:

The Company has the following Committees:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Technology Committee
- POSH Committee (Internal Complaints Committee)

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below.

The Board Committees have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review.

The terms of reference of the Committees define its scope, powers and responsibilities. The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee members.

The minutes of the meetings of all Committees are placed before the Board for their perusal. Further, there is an effective cross-committee discussion and coordination, in instances where there is any overlap with activities of such Committees, to ensure effective exercising of their roles and responsibilities as per the framework laid down by the Board of Directors and bring uniformity.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Companies Act, 2013 ("the Act") and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at https://mtar.in/policies-related-documents/

4. AUDIT COMMITTEE:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes:

i. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the listed entity with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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

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

xviii. To review the functioning of the whistle blower mechanism;

xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

xxi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Carrying out any other function as may be referred to the Committee by the Board.

xxiv. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

xxv. Monitoring the end use of funds raised through public offers & related matters.

B. THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

i. Management discussion and analysis of financial condition and results of operations;

ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. Internal audit reports relating to internal control weaknesses; and

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

v. Statement of deviations:

• Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

• Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

C. COMPOSITION, MEETINGS & ATTENDANCE:

There were Four (4) Audit Committee Meetings held during the year on 22nd May 2025, 05th August 2025, 05th November 2025 and 29th January 2026.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. A. Krishna Kumar	Chairperson	Non-Executive Independent Director	4	4
Mrs. Ameeta Chatterjee	Member	Non-Executive Independent Director	4	4
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	4	4

5. NOMINATION AND REMUNERATION COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

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

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

iii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

iv. Devising a policy on diversity of board of directors;

v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

vi. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were three (3) Nomination and Remuneration Committee Meetings held during the year on 22nd May 2025, 05th August 2025 and 29th January 2026.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mrs. Ameeta Chatterjee	Chairperson	Non-Executive Independent Director	3	3
Mr. B.V.R Subbu	Member	Non-Executive Independent Director	3	3
Mr. Krishna Kumar Aravamudan	Member	Non-Executive Independent Director	3	3

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and its Committees.

The Company has a structured assessment process, wherein the Nomination and Remuneration Committee of the Company has laid down the process for the effective manner of performance evaluation of the Board, its Committees and the Directors, including the Chairperson.

The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Independent Directors at their separate meeting reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after considering the views of other Directors, succession planning, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The process of evaluations involved a questionnaire-based approach with all Board and committee members.

The Board evaluation process was completed for financial year 2025-26 to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

D. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become directors and to determine the independence of directors, in case of their appointment as independent directors of the Company.

2. Terms and References:

2.1 “Director” means a director appointed to the Board of a Company.

2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the Code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

3.2 Criteria of Independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent director in relation to a Company, means a director other than a Managing Director or a Whole-time Director or a Nominee Director:

i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company [or member of the promoter group of the listed entity];

iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the 3 (three) immediately preceding financial years or during the current financial year;

v. none of whose relatives—
a. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;

b. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
d. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (a) to (d) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

vi. who, neither himself [“/herself], nor whose relative(s) —
a. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:
Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.

b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
(i) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
(ii) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

c. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

d. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

e.is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

vii. who is not less than 21 years of age.

viii. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director:

3.2.3 The independent Director shall abide by the “code for independent directors “as specified in Schedule IV to the Companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board’s performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a Whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committees across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit Committee and Stakeholder’s Relationship Committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.

E. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 “Director” means a Director appointed to the Board of the Company.

2.2 “key managerial personnel” means
(i) The Chief Executive Officer or the managing Director or the manager;
(ii) The Company Secretary;
(iii) The Whole-time Director;
(iv) The Chief Financial Officer; and
(v) Such other office as may be prescribed under the companies Act, 2013

2.3 “Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

F. OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

i. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

ii. Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

iii. Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

iv. Director shall not be a member in more than 10 committees or act as chairman of more than 5 committees across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee's role includes:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

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

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

v. Such other matter as may be specified by the Board from time to time.

vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

One (1) Meeting of Stakeholders Relationship Committee held during the year on 17th February 2026.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. B.V.R. Subbu	Chairperson	Non-Executive Independent Director	1	1
Mr. A. Krishna Kumar	Member	Non-Executive Independent Director	1	1
Mr. V. G. Sekaran	Member	Non-Executive Independent Director	1	1

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2025-26

Opening balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms. Naina Singh who was appointed as the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules resigned w.e.f. 20.01.2026.

Further, Ms. Priyanka Agarwal has been appointed as the Company Secretary and Compliance Officer under the SEBI Regulations and the Nodal Officer to ensure compliance with the IEPF rules w.e.f. 02.02.2026.

6. RISK MANAGEMENT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee’s role includes:

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were Two (2) Risk Management Committee Meetings held during the year on 05th August 2025 and 17th February 2026.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. B.V. R Subbu	Chairman	Independent	2	2
Dr. V.G. Sekaran	Member	Independent	2	2
Mr. U.C. Muktibodh	Member	Independent	2	2
Mr. A. Krishna Kumar	Member	Independent	2	2
Ms. Ameeta Chatterjee	Member	Independent	2	2

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee comprising of Non-Executive Directors including two Independent Directors is constituted by the Board in accordance with the Act to:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

One (1) Corporate Social Responsibility Committee Meeting held during the year on 22nd May 2025.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. U C Muktibodh	Chairperson	Non-Executive Independent Director	1	1
Mr. V G Sekaran	Member	Non-Executive Independent Director	1	1
Mr. Anushman Reddy	Member	Executive Director	1	1

8. SENIOR MANAGEMENT:

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company as on 31st March 2026.

Sl. No.	Name	Designation
1	Raja Sheker Bollampally	Chief Operating Officer
2	Arun Kumar Ojha	Chief Commercial Officer
3	Srilekha Jasthi	Head - Strategy and Investor Relations
4	Rama Mohan Rao Kasukurthi	Vice President
5	Rohit Khera	Resident Director
6	K.Sreeramulu Reddy	Senior Vice President
7	N.Mondaiah	Senior Vice President
8	Alavalapati Veera Sudhakara Reddy	Vice President
9	Bhogadi Lakshmana Babu	Vice President

10	Charabuddi Ramesh Reddy	Vice President
11	Niladri Sekhar Banerjee	Associate Vice President
12	Doggala Sidda Reddy	Vice President
13	Jayanth Mane Bhaurao	Associate Vice President
14	KJ Thomas	Senior Vice President
15	S Krishnan	General Manager
16	Soundarapandi	General Manager
17	Srinivasa Rao Peddi	General Manager
18	Yogesh Pratap Rao Deshmukh	General Manager

9. REMUNERATION OF DIRECTORS

a) PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED Company:

None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company other than the Directors sitting fees and commission, if any or as is already disclosed under the financial statements.

b) CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:
1. Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retirement benefits

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual Performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

c) REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2025-26 AND OTHER DISCLOSURES:

(Rs. in millions)

Name of the Director	Salary	Sitting Fees	Commission	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive	Number of Equity shares held
Mr. B.V.R Subbu	-	1.06	1.35	-	-	-	-	-
Mr. A. Krishna Kumar	-	0.96	1.35	-	-	-	-	-
Mr. V.G. Sekaran	-	0.76	1.35	-	-	-	-	-
Mrs. Ameeta Chatterjee	-	0.96	1.35	-	-	-	-	-
Mr. U.C Muktibodh	-	0.71	1.35	-	-	-	-	-
Mr. P. Srinivas Reddy	31.02	-	-	-	-	-	-	11,92,903
Mr. A. Praveen Kumar Reddy	9.91	-	-	-	-	-	-	-
Mr. Anushman Reddy	14.86	-	-	-	-	-	-	2,68,128
Mr. Rohith Loka Reddy	-	0.36	-	-	-	-	-	-

10. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 05th November 2025 and 17th February 2026, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meetings held on 05th November 2025 and 17th February 2026.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program are given at company's website www.mtar.in

11. DIRECTORS AND OFFICERS INSURANCE:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

12. GENERAL BODY MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special Resolution Passed
2024-25	18.09.2025	11:00 AM	Video Conferencing and Audio-Visual Means	Yes
2023-24	06.09.2024	03:00 PM	Video Conferencing and Audio-Visual Means	Yes
2022-23	11.08.2023	03:00 PM	Video Conferencing and Audio-Visual Means	Yes

B. PASSING OF SPECIAL RESOLUTION BY POSTAL BALLOT, DETAILS OF VOTING PATTERN AND PERSON WHO CONDUCTED THE POSTAL BALLOT:

During the year under review, the Company conducted a Postal Ballot pursuant to the Notice dated February 18, 2026, seeking approval of the Members through remote e-voting for the following Special Resolutions:

Item No.	Resolution (Special / Ordinary)	Description of the Resolution
1.	Special	To increase the limits of borrowing by the board of directors of the company under section 180(1)(c) of The Companies Act, 2013
2.	Special	To seek approval under section 180(1)(a) of The Companies Act, 2013 inter alia for creation of mortgage or charge on the assets, properties or undertak-ing(s) of the Company
3.	Special	To consider the proposal of payment of commission upto 1% on the net prof-its of the company to independent directors

The Postal Ballot process was conducted in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, providing Members an opportunity to cast their votes electronically through the remote e-voting facility.

To ensure fairness, transparency and due compliance with the applicable provisions, M/s. S.S. Reddy & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process and scrutinizing the votes cast by the Members.

13. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

i. Publication of financial results: Quarterly, half-yearly and annual financial results of the Company are published in leading English and Telugu language newspapers, viz., Financial Express and Nava Telangana.

ii. Website and News Releases: In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of SEBI (LODR) Regulations' on the Company's website gives infor-mation on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company.

The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website at https://mtar.in/

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

iii. Presentations made to Institutional Investors or to the Analysts: In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings, video recordings and transcripts of investors conference call on business and financial performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, Chief Financial Officer & Head, Strategy and Investor Relations. The Company also uploaded transcript and audio recordings of the said meet on its website.

iv. Stock Exchange: The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges. The Managing Director and Chief Financial Officer are severally authorised to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI. The Policy for determination of Materiality of Events/Information is available on the Company's website at https://mtar.in/

v. Exclusive email ID for investors: The Company has a designated email id i.e. priyanka@mtar.in exclusively for investor services, and the same is prominently displayed on the Company's website.

vi. NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre: NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

14. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING:

The 27th Annual General Meeting of the Company will be held as per the following schedule:

Day	Monday
Date	28th September 2026
Time	03.00 P.M
Venue	Through Video Conferencing / other audio-video means

B. FINANCIAL YEAR 2025-26 (TENTATIVE SCHEDULE)

The financial calendar for FY 2026-27 (tentative) shall be as under:

Financial Year	**2026-27**
First Quarterly Results	29.07.2026
Second Quarterly Results	On or before 14.11.2026
Third Quarterly Results	On or before 14.02.2027
Fourth Quarterly Results	On or before 30.05.2027
Annual General Meeting for financial year ending 31st March 2027	On or before 30.09.2027

C. DIVIDEND PAYMENT DATE:

The Company has not paid any dividend during the year.

D. NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

BSE Limited, P. J. Towers, Dalal Street, Mumbai-400001. (BSE Scrip Code: 543270)	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: MTARTECH)

E. ANNUAL LISTING FEE TO STOCK EXCHANGES:

The Company has paid the listing fees for the financial year 2026-27 to BSE Limited and National Stock Exchange of India Limited.

F. SUSPENSION FROM TRADING

There was no suspension from trading in equity shares of the Company during the financial year 2025-26

G. REGISTRAR AND SHARE TRANSFER AGENTS:

KFintech Technologies Limited,
Slenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032, Telangana
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com/ or https://ris.kfintech.com/

H. SHARE TRANSFER SYSTEM:

In terms of Regulation 40 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities can be transferred only in dematerialized form with effect from April 01, 2019. Accordingly, 100 percent of the shares of the Company are held in Demat Form.

I. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2026:

Category	Number of shareholders	%	Total shares	Amount	% of amount
1 - 5000	211118	99.2828	53,87,697	5,38,76,970	17.5155
5001 - 10000	805	0.3786	5,90,125	59,01,250	1.9185
10001 - 20000	287	0.135	3,94,599	39,45,990	1.2828
20001 - 30000	98	0.0461	2,46,156	24,61,560	0.8003
30001 - 40000	46	0.0216	1,59,965	15,99,650	0.52
40001 - 50000	36	0.0169	1,62,827	16,28,270	0.5294
50001 - 100000	72	0.0339	5,27,170	52,71,700	1.7138
100001 & Above	181	0.0851	2,32,91,052	23,29,10,520	75.7196
Total:	**2,12,643**	**100.00**	**3,07,59,591**	**30,75,95,910**	**100.00**

J. DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is **INE864I01014**. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat mode as on 31st March, 2026 is as follows:

Particulars	No. of Shares	% Share Capital
NSDL	2,63,82,367	85.77%
CDSL	43,77,224	14.23%
Total	**3,07,59,591**	**100%**

K. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2026.

L. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company faces foreign exchange fluctuation risk as majority of the turnover is derived from export. To mitigate the foreign exchange fluctuation risk, the Company has hedged though forward contracts.

M. PLANT LOCATIONS:

S. No	Name of the Unit	Address
1	Unit- 1	18, Technocrats Industrial Estate, Balanagar, Hyderabad- 500037 Telangana, India.
2	Unit- 2	Survey No. 149/P, IDA, Jagadgirigutta Road, Gandhinagar, Hyderabad–500037, Telangana, India.
3	Unit- 3	Plot No. 97 & 100A, Co-operative Industrial Estate, (E.P), Gandhinagar, Hyderabad – 500037, Telangana, India.
4	Unit- 4	B-34, EEIE, Balanagar Township, Hyderabad – 500037, Telangana, India.
5	Unit- 5	58/C, Phase-1, IDA Jeedmetla, Hyderabad – 500055, Telangana, India.
6	EOU	Jagadgiri Gutta Road, Gandhinagar, Balanagar, Hyderabad 500 037, Telangana, India.
7	Unit- 6	Plot No.1B in Sy No. 656/A, situated at Adibatla (Aditya Nagar) Village, Gram Panchayat Adibatla, Ibrahimpatnam Mandal, Ranga Reddy District, T.S.- 501510, India.
8	Unit- 7	17/A phase-III, IDA, Pashamailaram, PHASE-III, IDA Pashamailaram, Isnapur, Sangareddy, Telangana, 502307, India.
9	Unit-9-SEZ	Plot No 12,TSIIC Ltd, Adibatla, Brahimpatnam,Adibatla, Rangareddy, Telangana, 501510, India.
10	Unit-10	Plot nos 701, 702, 727 and 728 survey no.167 Doolapally Village Quthbullapur, Medchal Telangana-500014, India.
11	Unit-11	Plot No F-1/A & F-1/B, Survey No.374, Shivaji Statue, IDA Gandhinagar, Balanagar, Quthbullalpur, Hyderabad-500037, India.
12	Magnatar Aero Systems Private Limited (Wholly Owned Subsidiary)	B-34, EEIE, Balanagar Township, Hyderabad – 500037, Telangana, India.
13	Gee Pee Aerospace And Defence Private Limited (Wholly Owned Subsidiary)	Plot no's 75 and 81, phase-III TSIIC Pashamailaram Mandal Patancheru, Hyderabad-502307 Telangana, India

N. REGISTERED OFFICE AND ADDRESS FOR CORRESPONDANCE:

Ms. Priyanka Agarwal
(Company Secretary and Compliance Officer)
Address: 18, Technocrats Industrial
Estate, Balanagar, Hyderabad – 500037, Telangana

O. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March 2026. The ratings given by ICRA for short-term borrowings and long-term borrowings of the Company are A (Stable) and A (Stable), respectively.

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March, 2026.

However, ICRA Limited, a Credit Rating Agency has assigned the following rating in respect of Company's borrowings:

Instrument	Rated Amount (Rs. In Crores)	Rating Action
Long Term-Fund Based- Cash Credit	280.00	A (Stable); Reaffirmed
Long Term-Fund Based- Term Loan	108.49	A (Stable); Reaffirmed
Long Term / Short Term- Non Fund Based- others	200.00	A (Stable)/ A1; Reaffirmed
Long Term / Short Term- Unallocated Limits	81.51	A (Stable)/ A1; Reaffirmed
Total	**670.00**	

P. BOOK CLOSURE DATE:

The date of Book Closure for Annual General Meeting shall be from 22nd September 2026 to 28th September 2026 (both days inclusive).

Q. ELECTRONIC CONNECTIVITY: Demat ISIN Number: INE864I01014

NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Marathon Futurex, A-Wing,
25th floor, NM Joshi Marg,
Lower Parel, Mumbai 400013

R. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2026:

Sl. No	Category	No. Shares held	% of shareholding
A	**Shareholding of Promoter and Promoter group**		
1	Indian		
	Individual	93,52,207	30.40
	Body Corporate	12,500	0.04
2	Foreign		
	Individual	-	-
	Sub-Total A	**93,64,707**	**30.44**
B.	**Public Shareholding**		
1.	Institutions	1,38,33,451	44.98
2.	Non-Institutions		
	a. Bodies Corporate	3,74,978	1.22
	b. Indian Public and Others	71,86,455	23.36
	Sub Total B	**2,13,94,884**	**69.56**
	Grand Total (A+B)	**3,07,59,591**	**100.00**

15. OTHER DISCLOSURES:

A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:

There was no penalty imposed on company by stock exchanges during the previous three financial years except for:
a) As per Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to submit the disclosure of Related Party Transactions (RPT) for the half year ended September 30, 2025, simultaneously along with the XBRL of financial results, which was already filed on the BSE Limited. However, there was a delay of one day in the submission of the said XBRL of Integrated Financials (which included both the results and the RPT disclosure) on the National Stock Exchange of India Limited (NSE) for which a fine of Rs. 5000/- (Rupees Five Thousand Only) excluding GST was levied by the NSE. The Company has paid the fine and complied by making the requisite disclosure.
b) Two (2) instances of non-compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders, and the requirements of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020, were observed, as detailed below:

• *Trading in the equity shares of the Company without obtaining prior pre-clearance from the Compliance Officer and entering into contra trade transactions by the following designated persons: Mr. Mutyala Ramana Reddy, Mr.Sidda Reddy Doggala, and Mr. Raja Sheker Bollampally. The Board considered the said transaction and imposed a penalty aggregating to an amount of Rs. 1,79,998/- (Rupees One Lakhs Seventy-Nine Thousand Nine Hundred and Ninety-Eight Only), being the profits arising from such transaction(s), which was remitted by the designated persons to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated February 7, 2026.*

• *Trading in the equity shares of the Company without obtaining prior pre-clearance, including entering into contra trade transactions, by Mr. Sidda Reddy Doggala, a designated person. The profit earned from the transaction, together with the penalty levied by the Board, aggregating to Rs. 92,501.21/- (Rupees Ninety-Two Thousand Five Hundred and One Only and Twenty-One Paise), was remitted by the designated person to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated May 25, 2026.*

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013. With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and implemented non– mandatory requirements to better suit the governance practices of the company.

E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED:

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company https://mtar.in/.

F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website https://mtar.in/. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations. All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. There were no Material Related Party Transactions during the financial year 2025-26. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 annexed as **Annexure III.**

G. DISCLOSURE OF COMMODITY HEDGING ACTIVITIES:

The Company is not materially exposed to commodity price risks nor does the company do any commodity hedging.

H. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

The Company has not raised any fund through preferential allotment or Qualified Institutional Placement during the financial year 2025-26.

I. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed as **Annexure A to this Report**.

J. RECOMMENDATIONS OF COMMITTEES:

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

K. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR:

The Total Audit Fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor(s) is Rs. 8.43 Mn.

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

Sl. No.	Particulars	Number
a.	No. of Complaints filed during the financial year	Nil
b.	No. of Complaints disposed of during the financial year	Nil
c.	No. of Complaints pending as on end of the financial year	Nil

M. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT:

Neither the listed company nor the subsidiary company has advanced any loan to firm/ companies in which directors are interested except loans and advances between MTAR and its subsidiaries where there are common directors.

N. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES: NIL

16. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The Company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015:

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

18. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars	Compliance Status u/r 46
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management, Key Managerial Personnel, Directors and Promoters	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

19. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2025-26:

This is to confirm that the Board has laid down a code of conduct for all Board members and Senior Management Personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on 31st March, 2026 as envisaged in Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate on Code of Conduct has been provided as **Annexure B to this Report.**

20. MD/ CFO CERTIFICATION:

The Managing Director and Chief Financial Officer Certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2025-26 is provided as **Annexure C to this Report.**

21. CORPORATE GOVERNANCE CERTIFICATE:

The Certificate on Corporate Governance from Practicing Company Secretary, stating compliance with conditions of corporate governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2025-26 is provided as **Annexure D to this Report.**

22. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carries out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. Reconciliation of Share Capital Audit Report issued by the Practicing Company Secretary confirms that the total paid up capital was in agreement with the total number of shares in physical firm and the total number of dematerialized shares held with NSDL and CDSL.

23. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years:

a) As per Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to submit the disclosure of Related Party Transactions (RPT) for the half year ended September 30, 2025, simultaneously along with the XBRL of financial results, which was already filed on the BSE Limited. However, there was a delay of one day in the submission of the said XBRL of Integrated Financials (which included both the results and the RPT disclosure) on the National Stock Exchange of India Limited (NSE) for which a fine of Rs. 5000/- (Rupees Five Thousand Only) excluding GST was levied by the NSE. The Company has paid the fine and complied by making the requisite disclosure.

b) Two (2) instances of non-compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders, and the requirements of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020, were observed, as detailed below:

• Trading in the equity shares of the Company without obtaining prior pre-clearance from the Compliance Officer and entering into contra trade transactions by the following designated persons: Mr. Mutyala Ramana Reddy, Mr. Sidda Reddy Doggala, and Mr. Raja Sheker Bollampally. The Board considered the said transaction and imposed a penalty aggregating to an amount of Rs. 1,79,998/- (Rupees One Lakhs Seventy-Nine Thousand Nine Hundred and Ninety-Eight Only), being the profits arising from such transaction(s), which was remitted by the designated persons to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated February 7, 2026.

• Trading in the equity shares of the Company without obtaining prior pre-clearance, including entering into contra trade transactions, by Mr. Sidda Reddy Doggala, a designated person. The profit earned from the transaction, together with the penalty levied by the Board, aggregating to Rs. 92,501.21/- (Rupees Ninety-Two Thousand Five Hundred and One Only and Twenty-One Paise), was remitted by the designated person to the SEBI Investor Protection and Education Fund (IPEF). The same was disclosed to the Stock Exchanges vide disclosure dated May 25, 2026.

24. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

No equity shares were lying under unclaimed suspense account during the financial year 2025-26.

25. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Audit qualifications**: Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

26. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

27. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, audited financial statements, auditors report etc., by email are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned Depository to enable the Company to send the documents in electronic from or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

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

Sd/-	**Sd/-**
Subbu Venkata Rama Behara	**P. Srinivas Reddy**
Chairman	**Managing Director**
(DIN: 00289721)	**(DIN: 00359139)**

Place: Hyderabad
Date: 29.07.2026

ANNEXURE A to Report on Corporate Governance

Certificate of Non-Disqualification of Directors

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

To,
The Members of
MTAR Technologies Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MTAR Technologies Limited** having **CIN: L72200TG1999PLC032836** and having registered office at 18, Technocrats Industrial Estate, Balanagar, Hyderabad 500037 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the explanations, representations and confirmations furnished by the Company, its officers and directors, and pursuant to the verification carried out by us, including verification of the status of the Directors' Identification Numbers (DINs) on the portal of the Ministry of Corporate Affairs (www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company, as listed below, for the financial year ended 31st March, 2026, has been debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), or any other statutory or regulatory authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Subbu Venkata Rama Behara	00289721	05/12/2020
2.	Mr. Parvat Srinivas Reddy	00359139	11/03/2015
3.	Mr. Aravamudan Krishna Kumar	00871792	05/12/2020
4.	Mr. Gnana Sekaran Venkatasamy	02012032	05/12/2020
5.	Mrs. Ameeta Chatterjee	03010772	05/12/2020
6.	Mr. Udaymitra Chandrakant Muktibodh	06558392	05/12/2020
7.	Mr. Anushman Reddy	08104131	09/08/2022
8.	Mr. Praveen Kumar Reddy Akepati	08987107	14/12/2020
9.	Mr. Rohith Loka Reddy	06464331	10/02/2025

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

For S.S. Reddy& Associates
Practicing Company Secretaries

Sd/-
S. Sarweswara Reddy
M. No.: 12619; CP No. 7478
UDIN: F012619H000961721
PR No.: 8202/2026

Place: Hyderabad
Date: 29.07.2026

ANNEXURE B to Report on Corporate Governance

Declaration on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, P. Srinivas Reddy, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2025-26.

For MTAR Technologies Limited

Sd/-

Place: Hyderabad
Date: 29.07.2026

P. Srinivas Reddy
Managing Director
(DIN: 00359139)

ANNEXURE C to Report on Corporate Governance

MD AND CFO Certification in respect of Financial Statements and Cash Flow Statement

(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2026)

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2026 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations

c. There are no transactions entered in to by the Company during the year ended 31st March, 2026 which are fraudulent, illegal or violative of Company's Code of Conduct.

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.

f. That there have been no significant changes in the accounting policies during the relevant period.

g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

	Sd/-	**Sd/-**
Place: Hyderabad	**P Srinivas Reddy**	**Gunneswara Rao Pusarla**
Date: 29.07.2026	**Managing Director**	**Chief Financial Officer (CFO)**
	(DIN: 00359139)	

ANNEXURE D to Report on Corporate Governance

Certificate on Corporate Governance

To
The Members Of
MTAR Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by MTAR Technologies Limited ('the Company') for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2026.

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

For S.S. Reddy & Associates
Practicing Company Secretaries

Sd/-
S. Sarweswara Reddy
M. No.: 12619; CP No. 7478
UDIN: F012619H000961864
PR No.: 8202/2026

Place: Hyderabad
Date: 29.07.2026

ANNEXURE VII(a)

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.

Director	Total Remuneration (Rs. Mn)	Ratio to Median Remuneration
Parvat Srinivas Reddy	31.02	94:1
A. Praveen Kumar Reddy	0.99	30:1
Anushman Reddy	14.86	45:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	Remuneration (Rs. Mn)		Increase/ (Decrease) %
		FY 2025-26	FY 2024-25	
Parvat Srinivas Reddy	Managing Director	31.02	40.02	(22.48)%
Praveen Kumar Reddy	Executive Director	9.91	12.77	(22.39)%
Anushman Reddy	Executive Director	14.86	18.97	(21.69)%
Gunneswara Rao Pusarla	Chief Financial Officer	21.19	20.77	2.02%
Naina Singh	Company Secretary & Compliance Officer	0.90	0.82	10%
Priyanka Agarwal	Company Secretary & Compliance Officer	0.22	NA	NA

3. The percentage increase in the median remuneration of employees in the financial year.

Particulars	Remuneration (Rs.)		Increase/(Decrease) %
	FY 2025-26	FY 2024-25	
Median Remuneration of all the employees per annum	6,38,377	5,82,854	-9%

4. No. of Employees on the Roll of Company as on 31st March 2026.

Particulars	Number
Staff	850
Other than permanent employee	45
Permanent workers	463
Other than permanent workers	1150
Total	**2516**

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

Particulars	Increase/(Decrease) %
Average Percentage increase in the Remuneration of all Employees* (Other than Key Managerial Personnel)	11%
Average Percentage increase in the Remuneration of Key Managerial Personnel	19.74%

**Employees who have served for whole of the respective financial years have been considered.*

6. Affirmation that the remuneration is as per the remuneration policy of the Company.
The Company is in compliance with its remuneration policy.

ANNEXURE VII(b)

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

No	Name of the employee	Designation of the employee	Remuneration received (Rs.)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such Director or manager
1	Srinivas Reddy P	Managing Director	3,10,23,400	Permanent	Ms- Industrial Engineering	01-05-2021	61	-	0.00	Yes, Relative of Rohith Loka Reddy
2	Anushman Reddy	Executive Director	1,48,55,400	Permanent	MS &MBA	04-12-2016	35	Aerovironment	0.00	Yes, Relative of Akepati Praveen Kumar Reddy
3	Gunneswara Rao Pusarla	Chief Financial Officer	2,11,90,350	Permanent	CA, CMA	08-11-2021	56	Tata Sikrosky Aerospace	0.00	NA
4	Raja Sheker Bollampally	Chief Operating Officer	1,32,56,715	Permanent	MS- Material Science	03-05-2023	51	OHMIUM	0.00	NA
5	Arun Ojha	Chief Commercial Officer	1,19,05,866	Permanent	B. Tech & MBA	10-05-2024	53	Schlumberger Technology Corporation	0.00	NA
6	Rohit Khera	Resident Director	1,14,42,307	Permanent	Economics Honours	15-09-2021	72	GOI	0.00	NA
7	Akepati Praveen Kumar Reddy	Executive Director	99,11,400	Permanent	B.Tech (ECE)	01-10-2022	59	-	0.00	Yes, Relative of Anushman Reddy
8	Tirumala Srinivasarao Peddi	General Manager	51,95,677	Permanent	M.Tech & EPBM-IIM	26-02-2025	47	Raghuvamsi	0.00	NA
9	K J Thomas	Senior Vice President	50,95,345	Permanent	-	03-03-2025	62	-	0.00	NA
10	Srikanta Bag	Vice President	47,82,936	Permanent	M.Tech	01-06-2020	52	Mahindra Aerospace	0.00	NA

ANNEXURE VIII

Form AOC - 1

Statement containing salient features of the financial statements of Subsidiaries
(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: **i. Magnatar Aero Systems Private Limited**
ii. Gee Pee Aerospace & Defence Private Limited

2. Reporting Period: 01.04.2025 to 31.03.2026

3. Reporting Currency: Indian Rupee

(Amount in Rs.)

S. No.	Particulars	Magnatar Aero System Private Limited	Gee Pee Aerospace & Defence Private Limited
1.	Share Capital	1,00,000	30,83,500
2.	Reserves and surplus	(5,54,174)	(15,53,72,561)
3.	Total Assets	1,52,264	1,40,60,56,481
4.	Total Liabilities	1,52,264	1,40,60,56,481
5.	Investments	0	0
6.	Turnover	0	25,42,80,250
7.	Profit / loss before Taxation	(93,707)	(10,14,13,173)
8.	Provision for Taxation	0	1,71,33,564
9.	Profit / loss after Taxation	(93,707)	(11,85,36,737)
10.	Proposed Dividend	0	0
11.	% of Shareholding	100%	100%

The following information shall be furnished at the end of the statement:

1. Names of Subsidiaries which are yet to commence operation: **Magnatar Aero System Private Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **None**

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

Sd/-
Subbu Venkata Rama Behara
Chairman
(DIN: 00289721)

Sd/-
P. Srinivas Reddy
Managing Director
(DIN: 00359139)

Place: Hyderabad
Date: 29.07.2026

FINANCIAL STATEMENTS

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, 2026 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, 2026, 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, 2026. 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
Revenue recognition (as described in Note 2.2g and 20 of the standalone financial statements)	
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, 2026, the Company has recognised revenue amounting to Rs. 1,474.30 million and Rs. 7,178.89 million from domestic and export sales respectively.	Our audit procedures, among others included the following: • Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.2g and 20 of the standalone financial statements)	
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. 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.	• Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. • 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. • Assessed the relevant disclosures made in the standalone financial statements.

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 do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether 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, 2026 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:
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis from April 01, 2025 to August 31, 2025 as stated in Note 42 to the standalone financial statements;

(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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above:

(g) 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;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2026 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;

(i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 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 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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777EFDWAA9513

Place of Signature: Hyderabad
Date: May 12, 2026

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 intangible assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(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, 2026.

(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 Rupees 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 does 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.

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

(Amount in Rs. million)

	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	Nil	Nil	79.32	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.

(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) There were no loans or advance in the nature of loan granted to companies which had fallen due during the year.

(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) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of income tax. 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) According to the records of the Company, the dues outstanding of income-tax, service tax, custom duty, Goods and Service tax and cess 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.

(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 / material fraud by the company or No fraud / material 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 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.

(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 the 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 3 (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3 (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)(c) 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 43 to the financial statements, ageing and expect ed dates of realization of financial assets and payment of financial liabilities, other information accom panying 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 atte tion, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund 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 33 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 33 to the financial statements.

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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777EFDWAA9513

Place of Signature: Hyderabad
Date: May 12, 2026

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

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, 2026 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.

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, 2026, 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

Sd/-
per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777EFDWAA9513

Place of Signature: Hyderabad
Date: May 12, 2026

Standalone Balance Sheet as at March 31, 2026

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

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	4803.05	4223.57
Capital work in progress	3.1	344.01	531.61
Intangible assets	3 (b)	21.11	25.42
Right of use assets	31	149.65	-
Financial Assets			
Investments	4 (a)	67.04	67.04
Loans	5 (a)	61.17	61.17
Other financial assets	5 (b)	63.33	44.31
Non-current tax assets (net)	6 (a)	-	15.41
Other non-current assets	7	619.28	142.20
		6,128.64	**5,110.73**
Current Assets			
Inventories	9	4,994.22	3,452.62
Financial assets			
Investment in Mutual Funds	4 (b)	2,153.39	-
Trade receivables	10	3,365.72	2,094.43
Cash and cash equivalents	11	9.10	18.72
Bank balances other than cash and cash equivalents	12	202.11	147.28
Other financial assets	5 (b)	42.61	81.18
Other current assets	8	547.25	376.89
		11,314.40	**6,171.12**
Total assets		**17,443.04**	**11,281.85**

Standalone Balance Sheet as at March 31, 2026

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

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	7,949.23	6,999.60
		8,256.82	7,307.19
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	1,476.62	810.33
Lease Liabilities	31	67.37	-
Provisions	15	110.79	46.56
Deferred tax liabilities (net)	16	243.95	219.95
Other Non current liabilities	19	34.64	31.78
		1,933.37	**1,108.62**
Current Liabilities			
Financial Liabilities			
Borrowings	17	2,215.59	962.11
Lease Liabilities	31	6.07	-
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		213.51	114.74
- total outstanding dues of creditors other than micro, small and medium enterprises		1,276.71	936.67
Other financial liabilities	17A	911.02	373.17
Other current liabilities	19	2,548.97	441.55
Provisions	15	47.55	37.80
Current tax liabilities (net)	6 (b)	33.43	-
		7,252.85	**2,866.04**
Total equity and liabilities		**17,443.04**	**11,281.85**
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

Hyderabad
Date: May 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Hyderabad
Date: May 12, 2026

Standalone statement of profit and loss for the year ended March 31, 2026

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

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	20	8,761.08	6,759.57
Other income	21	236.88	57.36
Total income		**8,997.96**	**6,816.93**
Expenses			
Cost of materials consumed	22	5,034.25	3,485.05
Changes in inventories of work-in-progress	23	(447.64)	(69.74)
Employee benefit expense	24	1,488.34	1,221.66
Finance costs	25	293.44	221.60
Depreciation and amortisation expense	26	343.63	317.74
Other expenses	27	975.58	916.04
Total expenses		**7,687.60**	**6,092.35**
Profit before exceptional items and tax		**1,310.36**	**724.58**
Exceptional Items	28	37.67	-
Profit before Tax		**1,272.69**	**724.58**
Tax expense	29		
Current tax		302.48	175.87
Adjustment of tax relating to earlier periods		(8.26)	(4.22)
Deferred tax	16	25.23	14.40
Total tax expense		**319.45**	**186.05**
Profit for the year		**953.24**	**538.53**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	32	(4.83)	(4.00)
Income tax on above		1.22	1.01
OCI for the period, net of tax		**(3.61)**	**(2.99)**
Total comprehensive income for the year		**949.63**	**535.54**
Earnings per equity share of Rs. 10 each fully paid (31 March 2025; INR 10)	30		
Basic and diluted, computed on the basis of profit attributable to equity holders (in rupees)		30.99	17.51
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

Hyderabad
Date: May 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Hyderabad
Date: May 12, 2026

Standalone statement of cash flows for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before tax	**1,272.69**	**724.58**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	343.63	317.74
Finance costs	293.44	221.60
Profit from sale of mutual funds	–	(0.42)
Fair value gain on financial instrument at fair value through profit and loss (net)	(3.39)	-
Net unrealised exchange (gain)/loss	(86.30)	-
Profit on sale of property, plant and equipment	(5.63)	(12.85)
Interest income on Income Tax Refund	(1.78)	–
Interest Income on bank deposits and others	(16.03)	(16.20)
Operating profit before working capital changes	**1,796.63**	**1,234.45**
Movements in working capital:		
Decrease / (Increase) in trade receivables	(1,167.78)	(631.71)
Decrease / (Increase) in inventories	(1,541.60)	15.77
Decrease / (Increase) in current and non current financial assets	33.76	13.70
Decrease / (Increase) in other current and non current assets	(172.99)	(258.56)
Increase / (decrease) in trade payables	421.59	437.62
Increase / (decrease) in other financial liabilities	615.74	196.98
Increase / (decrease) in other current and Non current liabilities	2,110.28	124.27
Increase / (decrease) in Provisions	69.15	20.92
Cash generated from operations	**2,164.78**	**1,153.44**
Income tax paid (net of refunds)	(248.21)	(135.57)
Net cash flows from operating activities (A)	**1,916.57**	**1,017.87**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress,capital creditors and capital advances	(1,282.96)	(1,015.93)
Proceeds from Sale of Property Plant and Equipment	11.79	13.16
Investment in units of mutual fund	(2,150.00)	(70.00)
Receipt from redemption in units of mutual fund	-	70.42
Investment in bank deposits	(88.71)	(127.89)
Redemption from bank deposits	24.28	80.50
Interest received	11.42	9.81
Net cash flows used in investing activities (B)	**(3,474.18)**	**(1,039.93)**
C Cash flow from/(used in) financing activities		
Proceeds from long term borrowings	1,101.02	291.50
Repayment of long term borrowings	(451.23)	(446.06)
Payment of principal portion of lease liabilities	(82.95)	-
Proceeds from / (repayment of) short term borrowings (net)	1,269.98	24.72
Finance Costs paid	(288.83)	(221.60)
Net cash flows from / (used in) financing activities (C)	**1,547.99**	**(351.44)**

Standalone statement of cash flows for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	**(9.62)**	**(373.50)**
Cash and cash equivalents at the beginning of the year	18.72	392.22
Cash and cash equivalent at the end of the year	**9.10**	**18.72**
Components of Cash and Cash Equivalents		
Cash on hand	0.30	0.29
Balance with banks:		
Current accounts	8.80	18.43
Total cash and cash equivalents	**9.10**	**18.72**

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:

Particulars	Long-term including current maturities	Short-term
Opening as on April 01, 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) for Short-term (net)	-	24.72
Closing as on March 31, 2025	**1,270.14**	**502.30**
Proceeds for Long-term including current maturities	1,101.02	-
Repayment for Long-term including current maturities	(451.23)	-
Proceeds / (repayment) for Short-term (net)	-	1,269.98
Closing as on March 31, 2026	**1,919.93**	**1,772.28**
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

Hyderabad
Date: May 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Hyderabad
Date: May 12, 2026

Standalone statement of changes in equity for the year ended March 31, 2026

(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, 2026		
As at April 01, 2025	**3,07,59,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2026	**3,07,59,591**	**307.59**
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**

b) Other Equity

Particulars	Securities premium	Capital redemption reserve	Retained Earnings	Total
As at April 01, 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**
Profit for the year	-	-	953.24	953.24
Other comprehensive income (net of tax)	-	-	(3.61)	(3.61)
As at March 31, 2026	**3,199.56**	**14.55**	**4,735.12**	**7,949.23**

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

Hyderabad
Date: May 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Hyderabad
Date: May 12, 2026

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

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

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 May 12 2026.

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, 2026 comprising of standalone balance sheet as at March 31, 2026, 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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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 is 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)
Property, plant and equipment	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3/ 6 years
Leasehold improvements	Provided over lease period or 30 years, whichever lower
Vehicles	8

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

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

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) Leases

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

e) 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.

f) 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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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.

g) Revenue

(i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is 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. Amounts 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.
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. The contracts that Company enters into relate to sales orders 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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(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.

h) 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.

i) 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.

j) 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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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.

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.

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.

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

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

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 other wise;
- 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.

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

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

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.

k) 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.

l) 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

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

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

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)

m) 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.

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

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

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.

n) 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.

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

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

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

Remeasurements, comprising 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.

o) 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 the 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.

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

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

p) 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.

q) Cash and cash equivalents

Cash and cash equivalents 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, which, as defined above are considered an integral part of the Company's cash management.

r) 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.

s) 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 (v) 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 recognises 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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

t) 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 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.
The amendments do not have a material impact on the Company's standalone financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8. The amendment do not have a material impact on the Company's Standalone Financial Statement.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements -

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

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

Note 3a : Property, plant and equipment

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Leasehold Improvements	Vehicles	Total property, plant and equipment
As at April 01, 2024	**613.00**	**819.29**	**2,737.40**	**40.04**	**58.29**	**29.99**	**55.00**	**-**	**19.71**	**4,372.72**
Additions during the year	-	138.35	1,037.13	-	18.73	15.99	8.36	-	3.76	**1,222.32**
Disposals during the year	-	-	8.21	-	-	-	-	-	-	**8.21**
As at March 31, 2025	**613.00**	**957.64**	**3,766.32**	**40.04**	**77.02**	**45.98**	**63.36**	**-**	**23.47**	**5,586.83**
Additions during the year	-	173.07	672.63	3.18	37.41	1.28	12.83	5.05	4.55	**910.00**
Disposals during the year	-	-	26.90	-	-	-	-	-	-	**26.90**
As at March 31, 2026	**613.00**	**1,130.71**	**4,412.05**	**43.22**	**114.43**	**47.26**	**76.19**	**5.05**	**28.02**	**6,469.93**
Accumulated depreciation and amortisation										
As at April 01, 2024	**-**	**125.05**	**835.47**	**21.83**	**20.99**	**13.00**	**35.96**	**-**	**8.32**	**1,060.62**
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**
As at March 31, 2025	-	**155.24**	**1,080.74**	**26.14**	**25.50**	**20.05**	**45.09**	**-**	**10.50**	**1,363.26**
Charge for the year	-	38.50	254.76	4.71	6.69	7.53	9.63	0.08	2.17	**324.07**
Disposals for the year	-	-	20.45	-	-	-		-	-	**20.45**
As at March 31, 2026	-	**193.74**	**1,315.05**	**30.85**	**32.19**	**27.58**	**54.72**	**0.08**	**12.67**	**1,666.88**
Net block										
As at March 31, 2026	**613.00**	**936.97**	**3,097.00**	**12.37**	**82.24**	**19.68**	**21.47**	**4.97**	**15.35**	**4,803.05**
As at March 31, 2025	**613.00**	**802.40**	**2,685.58**	**13.90**	**51.52**	**25.93**	**18.27**	**-**	**12.97**	**4,223.57**

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

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Note 3b: Intangible assets

	Intangible assets - Software
As at April 01, 2024	**48.51**
Additions during the year	25.78
Disposals during the year	-
As at March 31, 2025	**74.29**
Additions during the year	8.51
Disposals during the year	-
As at March 31, 2026	**82.80**
Accumulated depreciation and amortisation	
As at April 01, 2024	**41.21**
Charge for the year	7.66
Disposals for the year	-
As at March 31, 2025	**48.87**
Charge for the year	12.82
Disposals for the year	-
As at March 31, 2026	**61.69**
Net block	
As at March 31, 2026	**21.11**
As at March 31, 2025	**25.42**

Note 3.1: Capital work in progress

Particulars	Amount
As at April 01, 2024	**677.50**
Additions	1,102.21
Capitalised during the year	(1,248.10)
As at March 31, 2025	**531.61**
Additions	730.91
Capitalised during the year	(918.51)
As at March 31, 2026	**344.01**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2026					March 31, 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	269.21	38.68	23.82	12.30	344.01	390.14	73.10	68.37	-	531.61
Total	**269.21**	**38.68**	**23.82**	**12.30**	**344.01**	**390.14**	**73.10**	**68.37**	**-**	**531.61**

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(b) As at March 31, 2026, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.

Note 4: Investments

	As at March 31, 2026	As at March 31, 2025
(a) Non-current investments		
Unquoted equity shares		
In wholly owned subsidiaries (at cost)		
Magnatar Aero Systems Private Limited		
[99,800 (March 31, 2025: 99,800) equity shares of par value Rs. 1 each (31 March 2025 : INR 1 each) fully paid]	0.10	0.10
Gee Pee Aerospace and Defence Private Limited		
[30,835 (March 31, 2025: 30,835) equity shares of par value Rs. 100 each (31 March 2025 : 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, 2025: 10,000) equity shares of par value Rs. 10 each (31 March 2025 : INR 10 each) fully paid]	0.10	0.10
	67.04	**67.04**
Quoted		
(b) Mutual fund units (at fair value through profit or loss)		
4,63,02,855 units (March 31, 2025: Nil units) of SBI savings fund- direct plan-growth	2153.39	-
	2153.39	**-**
Aggregate amount of unquoted investments- in wholly owned subsidiaries	66.94	66.94
Aggregate amount of unquoted investments- in others	0.10	0.10

5 Financial assets

a) Loans (unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Loans to subsidiary (refer note 38)	61.17	61.17
	61.17	**61.17**

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, 2026	As at March 31, 2025
Gee Pee Aerospace and Defence Private	Capex	10% p.a	Unsecured	Sep 01, 2027	61.17	61.17

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

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

(b) Financial assets - others

Unsecured, considered good unless stated otherwise

	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	38.79	29.77
Deposit with remaining maturity more than 12 months (refer note 12)	6.39	14.54
Interest accrued (refer note 38)	18.15	-
	63.33	**44.31**
Current		
Deposit with remaining maturity less than 12 months (refer note 12)	21.30	3.55
Retention money	18.47	61.60
Interest accrued	0.98	14.52
Loans and advances to employees	1.86	1.51
	42.61	**81.18**

6 (a) Non current tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax (net)	-	15.41
	-	**15.41**

6 (b) Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Tax Liability (net)	33.43	-
	33.43	**-**

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, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Prepaid expenses	7.46	4.83
Advance for capital goods	586.29	111.84
Balances recoverable from government authorities	25.53	25.53
	619.28	**142.20**

8 Other current assets

	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good		
Advance to suppliers (Refer note 38)	242.30	103.92
Prepaid expenses	40.18	11.97
Export benefits receivable	-	**5.01**
Balances recoverable from government authorities	264.77	255.99
	547.25	**376.89**

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

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

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

	As at March 31, 2026	As at March 31, 2025
Raw materials	2,713.18	1,660.98
[Includes in transit: Rs. 515.05 (March 31, 2025: Rs. 240.45)]		
Stores and Spares	158.29	116.53
Work-in-progress	2,122.75	1,675.11
	4,994.22	**3,452.62**

10 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured considered good	3,366.92	2,095.63
Less: allowance for credit losses	1.20	1.20
	3,365.72	**2,094.43**

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

Movement in expected credit loss

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1.20	1.20
Provision made during the year, net of reversals	-	-
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	**1.20**	**1.20**

Trade receivables ageing schedule
As at March 31, 2026

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	3,104.66	244.35	6.76	5.38	5.77	-	3,366.92
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**3,104.66**	**244.35**	**6.76**	**5.38**	**5.77**	**-**	**3,366.92**
Less: allowance for credit losses							1.20
Total							**3,365.72**

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

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

Trade receivables ageing schedule
As at March 31, 2025

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
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 loses							1.20
Total							**2,094.43**

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

11 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.30	0.29
Balances with banks		
On current accounts	8.80	18.43
	9.10	**18.72**

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	202.11	147.28
Deposits with remaining maturity of more than twelve months	6.39	14.54
Less: Amount clubbed under 'non-current financial assets- others' (refer note 5b)	(6.39)	(14.54)
Deposits with remaining maturity of less than twelve months	21.30	3.55
Less: Amount clubbed under 'current financial assets-others' (refer note 5b)	(21.30)	(3.55)
	202.11	**147.28**

* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 1,499.48 (March 31, 2025: Rs. 726.65) 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, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Investments in units of mutual funds (quoted)	2,153.39	2,153.39	-	-
Investments in unquoted equity shares (others)	0.10	0.10	0.10	0.10
Total financial assets carried at fair value through profit or loss	**2,153.49**	**2,153.49**	**0.10**	**0.10**

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

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

Breakup of financial assets carried at amortised cost:

	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	3,365.72	3,365.72	2,094.43	2,094.43
Cash and cash equivalent	9.10	9.10	18.72	18.72
Investments in unquoted equity shares (others)	66.94	66.94	66.94	66.94
Balances at bank other than cash and cash equivalents	202.11	202.11	147.28	147.28
Retention money	18.47	18.47	61.60	61.60
Loan to related parties	61.17	61.17	61.17	61.17
Security deposits	38.79	38.79	29.77	29.77
Deposit with remaining maturity more than 12 months	6.39	6.39	14.54	14.54
Deposit with remaining maturity less than 12 months	21.30	21.30	3.55	3.55
Interest accrued	19.13	19.13	14.52	14.52
Loans and advances to employees	1.86	1.86	1.51	1.51
Total financial assets carried at amortised cost	**3,810.98**	**3,810.98**	**2,514.03**	**2,514.03**

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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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.

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

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

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	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) Details of shares held by promoters
As at March 31, 2026
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	(2,00,000)	11,92,903	3.88%	-0.65%
Mitta Madhavi	14,30,983	(48,000)	13,82,983	4.50%	-0.16%
A Manogna	11,61,889	(2,98,392)	8,63,497	2.81%	-0.97%
Saranya Loka Reddy	5,99,666	(97,000)	5,02,666	1.63%	-0.32%
P Kalpana Reddy	8,74,000	(59,999)	8,14,001	2.65%	-0.20%
K Shalini	4,10,483	-	4,10,483	1.33%	0.00%
Leelavathi Parvatha Reddy	10,21,712	2,97,000	13,18,712	4.29%	0.97%
Kavitha Reddy Gangapatnam	4,92,741	(2,50,000)	2,42,741	0.79%	-0.81%
Praval Reddy Akepati	2,50,000	-	2,50,000	0.81%	0.00%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Suprathik G V Reddy	6	-	6	0.00%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
Total	**97,71,098**	**(6,56,391)**	**91,14,707**	**29.63%**	**-2.13%**

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

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

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 Chigarapalli	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%
Suprathik G V Reddy	6	-	6	0.00%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
Total	**1,14,74,474**	**(16,90,876)**	**97,71,098**	**31.77%**	**-5.50%**

14. Other Equity

	As at March 31, 2026	As at March 31, 2025
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	3,785.49	3,249.95
Add: Other comprehensive income / (loss) for the year	(3.61)	(2.99)
Add: Profit for the year	953.24	538.53
Balance at the end of the year	**4,735.12**	**3,785.49**
	7,949.23	**6,999.60**

Capital reserve

The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve. The details of movement in Capital Reserve during the year is as below:

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

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

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 include 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, 2026	As at March 31, 2025
Non-current		
Provision for employee benefits		
- Gratuity (refer note 32)	110.79	46.56
	110.79	**46.56**
Current		
Provision for employee benefits		
- Gratuity (refer note 32)	27.84	20.30
- Compensated absences	19.71	17.50
	47.55	**37.80**

16. Deferred tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liability arising on account of timing differences relating to:		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	305.99	259.43
	305.99	**259.43**
Deferred tax asset arising on account of timing differences relating to:		
Expenses allowed on payment basis	62.04	39.48
	62.04	**39.48**
Deferred tax liability (net)	**243.95**	**219.95**

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.

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

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

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
For the year ended March 31, 2026:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	259.43	46.56	-	305.99
Expenses allowed on payment basis	(39.48)	(21.33)	(1.22)	(62.04)
	219.95	**25.23**	**(1.22)**	**243.95**
For the year ended March 31, 2025:				
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)
	206.56	**14.40**	**(1.01)**	**219.95**

17. Borrowings

	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured bank borrowings		
Long-term borrowings	1,919.93	1,270.14
Less: Current maturity of long-term borrowings disclosed under "short-term borrowings"	(443.31)	(459.81)
	1,476.62	**810.33**
Current		
Secured bank borrowings		
Cash credit	1,772.28	502.30
Current maturity of long-term borrowings	443.31	459.81
	2,215.59	**962.11**
Aggregate secured borrowings	**3,692.21**	**1,772.44**
Aggregate unsecured borrowings	-	-

1. The long-term borrowings including current maturities of Rs. 1,919.93 (March 31, 2025: Rs. 1,270.14) from banks are secured by collateral security against inventories, trade receivables and all other 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, 2026.

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

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

The table below summarises the maturity profile of the Company's borrowings:

	As of March 31, 2026						
	Interest Rate (range)	**Frequency of installments**	**Number of installments outstanding per facility (range)**	**Within One Year**	**Between one and two years**	**Between two and five years**	**Over five years**
Term Loan	7.93% to 9.85%	Monthly	7-36	134.52	100.00	166.67	-
	7.30% to 9.45%	Quarterly	5-15	308.79	505.23	704.72	-
				443.31	**605.23**	**871.39**	**-**

	As of March 31, 2025						
	Interest Rate (range)	**Frequency of installments**	**Number of installments outstanding per facility (range)**	**Within One Year**	**Between one and two years**	**Between two and five years**	**Over five years**
Term Loan	9.65% to 9.85%	Monthly	19	172.96	100.90	-	-
	8.25% to 9.45%	Quarterly	9-16	286.85	285.65	423.79	-
				459.81	**386.55**	**423.79**	**-**

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 1,772.28 (March 31, 2025: Rs. 502.30) is secured against inventories, trade receivables, and all other current assets, present and future of the Company. Further the borrowing is secured by collateral security over certain land and buildings of the Company.
The cash credit facility is repayable on demand and carries interest @ 6.67% to 9.69% p.a. (March 31, 2025: 7.22% to 9.57% p.a.).
The export packing credit in USD carries interest @ 4.69% p.a. (March 31, 2025: Nil)

17A Other Financial Liabilities

	As at March 31, 2026	**As at March 31, 2025**
Payable for capital goods	10.50	88.39
Supplier credit *	745.13	163.36
Accrued Wages and Salaries	155.39	121.42
	911.02	**373.17**

* Supplier credit availed at an interest rate ranging from 6.73% to 9.15%.

18 Trade Payable

	As at March 31, 2026	**As at March 31, 2025**
- dues of micro and small enterprises	213.51	114.74
- dues of creditors other than micro and small enterprises	1,276.71	936.67
	1,490.22	**1,051.41**

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

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

Trade payables ageing schedule
As at March 31, 2026

		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	-	213.51	-	-	-	213.51
Total outstanding dues of creditors other than MSME	348.81	919.93	6.36	0.95	0.66	1,276.71
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	348.81	**1,133.44**	**6.36**	**0.95**	**0.66**	**1,490.22**

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	-	-	-	-	-	-
	300.56	**731.75**	**8.57**	**10.53**	**-**	**1,051.41**

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 37.

Disclosure pertaining to Micro, Small And Medium Enterprises Development Act, 2006 (MSMED Act) (as per information available with the Company)

	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	213.51	114.74
Interest due thereon	-	-
	213.51	**114.74**
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 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	**-**	**-**

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

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

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings- long-term including current maturities	1,919.93	1,919.93	1,270.14	1,270.14
Lease liabilities (non-current) (note 31)	67.37	67.37	-	-
Borrowings- short-term	1,772.28	1,772.28	502.30	502.30
Payable for capital goods	10.50	10.50	88.39	88.39
Supplier credit	745.13	745.13	163.36	163.36
Lease liabilities (current) (note 31)	6.07	6.07	-	-
Accrued Wages and Salaries	155.39	155.39	121.42	121.42
Trade payables	1,490.22	1,490.22	1,051.41	1,051.41
	6,166.89	**6,166.89**	**3,197.02**	**3,197.02**

The management assessed that trade payables, short-term borrowings, lease liabilities 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, 2026	As at March 31, 2025
Non-Current		
Statutory dues	34.64	31.78
	34.64	**31.78**
Current		
Statutory dues		
Contract liability- advance from customers (refer note 20)	22.44	11.13
	2,526.53	**430.42**
	2,548.97	**441.55**

20. Revenue from Operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Revenue from contracts with customers		
Sale of products	8,653.19	6,646.46
	8,653.19	**6,646.46**
(B) Other operating revenue		
- Sale of scrap and others	107.89	113.11
	107.89	**113.11**
Total (A+B)	**8,761.08**	**6,759.57**

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(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, 2026	For the year ended March 31, 2025
India	1,474.30	1,328.80
Outside India	7,178.89	5,317.66
	8,653.19	**6,646.46**
Timing of revenue recognition		
Goods transferred at a point of time	8,653.19	6,646.46
Total	**8,653.19**	**6,646.46**

(ii) Contract balances

	As at March 31, 2026	As at March 31, 2025
Trade receivable	3,365.72	2,094.43
Retention money	18.47	61.60
Contract liabilities		
Advance from customer	2,526.53	430.42

The performance obligation is satisfied when control of the goods is 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. 181.62 (March 31, 2025: Rs. 65.16). Generally the advance from customers are settled over a period of 1 to 3 years.

21. Other Income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income on bank deposits and others	16.03	16.20
Interest income on Income Tax Refund	1.78	1.80
Other non operating income:		
Foreign exchange gain (net)	206.57	25.72
Profit on sale of Assets	5.63	12.85
Profit from sale of mutual funds	-	0.42
'Fair value gain on financial instruments at fair value through profit and loss (net)	3.39	-
Miscellaneous income	3.48	0.37
	236.88	**57.36**

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

22. Cost of materials consumed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	1,777.51	1,863.02
Add: Purchases	6,128.21	3,399.54
Less: Inventory at the end of the year	(2,871.47)	(1,777.51)
	5,034.25	**3,485.05**

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	1,675.11	1,605.37
Less: Inventory at the end of the year	(2,122.75)	(1,675.11)
	(447.64)	**(69.74)**

24. Employee Benefit Expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	1,355.23	1,127.67
Contribution to provident and other funds [refer note 32 (II)]	55.58	45.79
Gratuity expense [refer note 32 (I)]	29.69	19.26
Staff welfare expenses	47.84	28.94
	1,488.34	**1,221.66**

On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes.

The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

The Company has assessed the impact of these changes on the basis of legal view obtained by the management and best information available till authorisation of the financial statements for issue. The Company has determined that these changes result in an increase in gratuity obligation of INR 37.67 millions. Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has presented increase in obligation as an expense under the head "Exceptional Items" in the statement of profit and loss for the year ended 31 March 2026 (refer note 28). Also, pursuant to the change, the entire obligation toward accumulated leave of workers has been classified as current liability in the balance sheet as at 31 March 2026, instead of current and non-current classification based on the actuarial valuation report.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

25. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses		
- Short term borrowings	122.36	53.18
- Long term borrowings	115.94	119.63
Interest on lease liabilities (refer note 31)	2.05	-
Interest on Income Tax	4.58	-
Bank charges	48.51	48.79
	293.44	**221.60**

26. Depreciation and amortisation expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	324.07	310.08
Amortisation of Right-of-use assets	6.74	-
Amortisation on intangible assets	12.82	7.66
	343.63	**317.74**

27. Other Expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sub-contractor charges	152.92	295.83
Production expenses	277.24	167.03
Power and fuel	188.06	162.83
Repairs and maintenance		
- Buildings	31.33	35.39
- Plant and machinery	47.39	53.85
- Others	12.52	13.70
Insurance	21.55	14.32
Rates and taxes	12.67	14.33
Travelling and conveyance	26.43	20.20
Freight and forwarding	27.08	19.97
Legal and professional charges	70.01	35.00
Security charges	29.14	16.64
Payment to auditors (refer below)	8.33	6.54
CSR expenses (refer note 33)	19.11	20.00
Miscellaneous expenses	51.80	40.41
	975.58	**916.04**

Payment to auditors

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
Audit fee	3.60	3.30
Limited review	3.40	3.00

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
In other capacity:		
Other services (certification fees)	1.00	-
Out of pocket expenses	0.33	0.24
	8.33	**6.54**

28. Exceptional Items

	For the year ended March 31, 2026	For the year ended March 31, 2025
Past Service Cost- Gratuity Expense (Refer note 24 & 32)	37.67	-
	37.67	**-**

29. Tax expense

a) Income tax expense:

The major components of income tax expense

(i) Profit or loss section

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Current tax	302.48	175.87
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	25.24	14.40
Actual tax expense accounted in books	**327.72**	**190.27**
C. Adjustment of tax relating to earlier periods	(8.26)	(4.22)
Income tax expense recognised in the statement of profit and loss	**319.46**	**186.05**

(ii) OCI Section

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense to OCI	**(1.22)**	**(1.01)**

b) Reconciliation of effective tax rate:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax (A)	1,272.69	724.58
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	**320.31**	**182.36**
Tax effect of		
Adjustments for taxes with respect of earlier period	(8.26)	(4.22)
Expenses disallowed under Income Tax Act, 1961	7.13	5.03
Others	0.28	2.88
Total (D)	**(0.85)**	**3.69**
Expected tax expenses (C+D)	319.46	186.05
Income tax expenses	319.46	186.05
Effective tax rate	25.10%	25.68%

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

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

30. 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, 2026	For the year ended March 31, 2025
Profit attributable to equity share holders	953.24	538.53
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* 953.24/30.76 (March 31, 2025: 538.53/30.76)	**30.99**	**17.51**

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

31. Leases

The Company has entered into contracts for various leases involving land with lease terms between 6 to 19 years. The effective interest rate for lease liabilities ranges between 7.80% to 9.15%, with maturity between 2031-2044 (31 March 2025: Nil)

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**-**	**-**
Additions and modifications	156.39	-
Disposals / Terminations	-	-
Amortisation of Right-of-use assets (refer note 26)	**6.74**	**-**
Balance at the end of the year	**149.65**	**-**

Below are the carrying amounts of lease liabilities and the movements during the year:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**-**	**-**
Additions and modifications	154.34	-
Disposals / Terminations	-	-
Interest on lease liabilities (refer note 25)	2.05	-
Payments	82.95	-
Balance at the end of the year	**73.44**	**-**

The following is the break-up of current and non-current lease liabilities

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current	6.07	-
Non- current	67.37	-
	73.44	**-**

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

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

The following are the amounts recognised in the statement of profit and loss:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Amortisation of Right-of-use assets (refer note 26)	6.74	-
Interest on lease liabilities (refer note 25)	2.05	-
	8.79	**-**

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	11.52	-
One to three years	24.74	-
More than 3 years	72.75	-
	109.01	**-**

The Company does not face a liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

32. 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, 2026	For the year ended March 31, 2025
Current service cost	25.06	16.09
Interest cost on defined benefit obligation	37.67	-
Interest (income) on plan assets	14.99	14.82
Net employee benefit expenses	(10.36)	(11.65)
	67.36	**19.26**

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurements- due to experience adjustments	18.20	(1.64)
Return on plan assets	0.22	1.00
Remeasurements- due to demographic Assumptions	1.46	
Remeasurements- due to financial assumptions	(15.05)	4.64
	4.83	**4.00**

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

C) Amount recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	283.39	230.85
Fair value of plan assets	144.76	163.99
Net defined benefit liability	**138.63**	**66.86**

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

	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	230.85	213.07
Interest cost	14.99	14.82
Current service cost	25.06	16.09
Past service cost (Refer note 28)	37.67	-
Net actuarial (losses) / gains on obligations recognised under OCI	4.61	3.01
Benefit payments from plan assets	(29.79)	(16.14)
Closing defined benefit obligation	**283.39**	**230.85**

E) Changes in the fair value of plan assets

	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	**163.99**	**169.06**
Interest income	10.36	11.65
Remeasurements- return on assets	(0.22)	(1.00)
Contributions by employer	0.42	0.42
Benefit payments from plan assets	(29.79)	(16.14)
Closing fair value of plan assets	**144.76**	**163.99**

Expected contribution to the gratuity fund during the next year would be Rs. 138.63 (March 31, 2025: Rs. 66.86)

Investment details of plan assets		
Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.79%	6.94%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	8.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

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

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

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

	As at March 31, 2026	As at March 31, 2025
1 year	28.01	20.59
2-5 years	155.30	105.62
6-10 years	125.93	96.26

The weighted average duration of the defined benefit obligation is 7.00 years (March 31, 2025: 8.00 years).

(iii) Sensitivity analysis:

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

	As at March 31, 2026	As at March 31, 2025
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(15.91)	(15.30)
- 1% decrease	17.88	17.47
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	18.90	18.42
- 1% decrease	(17.36)	(16.46)
(c) Effect of 1% change in assumed attrition rate		
- 1 % increase	0.33	(0.25)
- 1 % decrease	(0.40)	0.26

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. 55.58 (March 31, 2025: Rs. 45.79) 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.

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

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

33. Detail of CSR expenditure

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Company during the year	19.11	20.00
(b) Amount approved by the Board to be spent during the year	19.11	20.00
(c) Amount spent during the year (in cash)		
i) Construction /acquisition of any asset	-	-
ii) On purposes other than (i) above	19.11	20.00
(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, 2026							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	19.11	19.11	-	-	-
March 31, 2025							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-

34. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 1,600.17 (March 31, 2025: Rs. 121.20).

b. Contingent liabilities

Claims against the Company not acknowledged as debts is amounting to Rs. 22.67 for March 31, 2026 (March 31, 2025: Rs. 22.67). Corporate guarantee of Nil (March 31, 2025: 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, 2026	As at March 31, 2025
Gee Pee Aerospace and Defence Private Limited	Capex	Unsecured	195.00	-	19.50

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

35. 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 32.

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.

36. 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 equivalents and balances at banks other than cash and cash equivalents. 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 advices 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.

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

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. 3,384.19 (March 31, 2025: Rs. 2,156.03) being the total of the carrying amount of balances with trade receivables (including retention money) (ii) cash and cash equivalent (excluding cash on hand) and balance at bank other than cash and cash equivalent of Rs. 210.91 (March 31, 2025: Rs. 165.71) and (iii) other financial assets of Rs. 87.47 (March 31, 2025: Rs. 63.89).

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 considers the fact that 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. 2,776.33 for March 31, 2026 (March 31, 2025: Rs. 1,590.33).

The cash and cash equivalent (excluding cash on hand) and balance at bank other than cash and cash equivalent of Rs. 210.91 (March 31, 2025: Rs. 165.71) 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 Company has also entered into supply chain finance arrangement to smoothen the payment process of the suppliers. Although the payment terms are not significantly extended beyond the normal credit terms agreed upon with other suppliers, the cashflows became more predictable.

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, 2026				
Borrowings	2,215.59	1,476.62	-	3,692.21
Trade payables	1,490.22	-	-	1,490.22
Lease Liabilities	11.52	51.96	45.53	109.01
Other financial liability	911.02	-	-	911.02
	4,628.35	**1,528.58**	**45.53**	**6,202.46**
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
	2,386.69	**810.33**	**-**	**3,197.02**

The cash credit facility amounting to Rs. 1,772.28 (March 31, 2025: Rs. 502.30), 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.

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

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

a. The year-end unhedged foreign currency exposures is as follows:

	Currency	Amount in foreign currency	Exchange rate	Amount in Rs.
Trade receivables				
March 31, 2026	USD	29.84	94.65	2,824.85
March 31, 2026	EUR	0.42	109.01	45.61
March 31, 2025	USD	19.57	85.58	1,674.63
March 31, 2025	EUR	0.10	92.32	8.86
Cash and cash equivalents				
March 31, 2026	USD	0.09	94.65	8.53
March 31, 2026	EUR	0.00	109.01	0.01
March 31, 2025	USD	0.01	85.58	0.77
March 31, 2025	EUR	0.00	92.32	0.11
Export packing credit				
March 31, 2026	USD	5.65	94.65	534.80
March 31, 2025	USD	-	85.58	-
Trade payables				
March 31, 2026	USD	11.93	94.65	1,129.61
March 31, 2026	GBP	0.08	125.63	10.33
March 31, 2026	EUR	0.00	109.01	0.02
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

b. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in 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, 2026	1%	1%	12.04	(12.04)
March 31, 2025	1%	1%	9.18	(9.18)

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 ended March 31, 2026 would decrease / increase by Rs. 36.92 (March 31, 2025: Rs. 17.72).

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

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

37. 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.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Borrowings	3,692.21	1,772.44
Less: Cash and cash equivalents	(9.10)	(18.72)
Net debt (A)	**3,683.11**	**1,753.72**
Equity (B)	**8,256.82**	**7,307.19**
Equity and net debt (C) = (A) + (B)	**11,939.93**	**9,060.91**
Gearing ratio (A) / (C)	**30.85%**	**19.35%**

38. 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) Entity with common KMP

Nettlinx Limited

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(c) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
A. Praveen Kumar Reddy, Director
M. Anushman Reddy, Director
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary (upto May 31, 2024)
Naina Singh, Company secretary (upto January 20, 2026)
Priyanka Agarwal, Company Secretary (w.e.f. February 02, 2026)

(d) Relatives of key management personnel

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

(e) Independent / Non-Executive Directors

Subbu Venkata Rama Behara
A. Krishna Kumar
Ameeta Chatterjee
U C Muktibodh
V.G. Sekaran
Venkata Satish Kumar 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, 2026	For the year ended March 31, 2025
A. Transactions with related parties		
Remuneration*		
M. Anushman Reddy	14.86	18.97
Parvat Srinivas Reddy	31.02	40.02
A. Praveen Kumar Reddy	9.91	12.77
A. Pranay Kumar Reddy	0.28	0.85
A. Praval Kumar Reddy	1.30	0.75
Shubham Sunil Bagadia	-	0.16
Naina Singh	1.01	0.82
Priyanka Agarwal	0.22	-
Gunneshwara Rao Pusarla	21.19	20.77
Sitting fees/Commission		
Venkatasatishkumar Reddy Gangapatnam	-	0.37
B V R Subbu	2.41	2.09
A. Krishna Kumar	2.31	2.04

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

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

Ameeta Chatterjee	2.31	1.99
U C Muktibodh	2.06	1.74
V.G. Sekaran	2.11	1.79
Rohith Loka Reddy	0.36	0.09
Rent expense		
K. Shalini	0.79	0.76
P. Sasidhar Reddy	1.23	-
Reimbursable expenditure incurred		
Magnatar Aero Systems Private Limited	-	0.04
Purchase Transaction- Job work		
Gee Pee Aerospace and Defence Private Limited	24.44	32.04
Interest Income		
Gee Pee Aerospace and Defence Private Limited	6.12	6.12
Commission Income		
Gee Pee Aerospace and Defence Private Limited	-	0.01
Internet Charges		
Nettlinx Limited	1.17	-

Particulars	As at March 31, 2026	As at March 31, 2025
Balances receivable		
Magnatar Aero Systems Private Limited (reimbursable advance)	0.52	0.41
Gee Pee Aerospace and Defence Private Limited (trade advance)	58.59	4.66
Gee Pee Aerospace and Defence Private Limited (interest accrued)	18.15	12.65
Balances Payable		
M. Anushman Reddy	4.14	2.40
Parvat Srinivas Reddy	11.71	5.52
A. Praveen Kumar Reddy	3.64	1.74
A. Pranay Kumar Reddy	0.02	-
A. Praval Kumar Reddy	0.39	-
Naina Singh	-	0.11
Priyanka Agarwal	0.22	-
Gunneshwara Rao Pusarla	2.58	2.23
Long term loan		
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.

Notes to the standalone financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

39. 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).

40. 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, 2026	For the year ended March 31, 2025
India	1,474.30	1,328.80
Outside India	7,178.89	5,317.66
Total	**8,653.19**	**6,646.46**

(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, 2026	1	6,334.19
For the year ended March 31, 2025	1	4,836.99

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. The Company has maintained proper books of account as required by law except the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis from April 01, 2025 to August 31, 2025.

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

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

43. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Change	Reason for variance (above 25%)
(i) Current ratio	11,314	7,253	1.56	2.15	-28%	Decrease is on account of increase in borrowings and other current liabilities.
(ii) Debt- equity ratio	3,692	8,257	0.45	0.24	84%	Increase is on account of increase in borrowings
(iii) Debt service coverage ratio	1,535	451	3.40	2.31	47%	The increase is on account of increase in profit in current year
(iv) Return on equity ratio	953	7,782	12%	8%	60%	The increase is on account of increase increase in profit in current year
(v) Inventory turnover ratio	4,587	4,223	1.09	0.99	10%	
(vi) Trade receivable turnover ratio	8,761	2,730	3.21	3.80	-16%	
(vii) Trade payable turnover ratio	6,128	1,271	4.82	4.08	18%	
(viii) Net capital turnover ratio	8,761	4,062	2.16	2.05	5%	
(ix) Net profit ratio	953	8,761	10.88%	7.97%	37%	The increase is on account of increase increase in profit in current year
(x) Return on capital employed	1,511	12,193	12.39%	10.11%	23%	
(xi) Return on investment	13	245	5.44%	7.06%	-23%	

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

44. 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.

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

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

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)
(b) provide any guarantee, security or the like to or on behalf of the 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)
(b) provide any guarantee, security or the like to or on behalf of the 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.

45. Subsequent event

No significant subsequent events have been observed till May 12, 2026 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

Hyderabad
Date: May 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Hyderabad
Date: May 12, 2026

INDEPENDENT AUDITOR'S REPORT

To
The Members of MTAR Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Group in accordance with the '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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 consolidated 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 consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.2g and 20 of the consolidated financial statements)	
Revenue from contracts with customers are recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. During the year ended March 31, 2026, the Holding Company has recognised revenue amounting to Rs. 1,474.30 million and Rs. 7,178.89 million from domestic and export sales respectively. 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. 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 consolidated financial statements.	Our audit procedures, among others included the following: • Assessed the Company's revenue recognition policy in terms of Ind AS 115 ("Revenue from Contracts with Customers"). • Obtained an understanding, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed the following tests for a sample of transactions o tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts / sales orders, shipping documents and other related documents. o verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognition are satisfied. • 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. • Assessed the relevant disclosures made in the consolidated financial statements.

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

Other Information

The Holding 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 consolidated 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2026 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.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries and whose financial statements include total assets of Rs 140.75 million as at March 31, 2026, and total revenues of Rs 25.43 million and net cash inflows of Rs 0.24 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis from April 01, 2025 to August 31, 2025 as stated in Note 43 to the consolidated financial statements;

(c)The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2026.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b)The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries companies, incorporated in India.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are incorporated in India whose financial statements have been audited under the Act, and as described in note 42, the Holding Company and subsidiaries have 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, during the course of audit, we and respective auditors of the above referred subsidiaries 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 Holding Company and the above referred subsidiaries as per the statutory requirements for record retention.

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

____

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777NIFCLD1248

Place of Signature: Hyderabad
Date: May 12, 2026

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) Qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are

S.No	Name	CIN	Holding Company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Magnatar Aero Systems Private Limited	U29308TG2019PTC136567	Subsidiary	Clause 3(xvii)
2	Gee Pee Aerospace and Defence Private Limited	U29100TG1988PTC008777	Subsidiary	Clause 3(xvii)

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

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777NIFCLD1248

Place of Signature: Hyderabad
Date: May 12, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MTAR TECHNOLOGIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of MTAR Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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, 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per Atin Bhargava
Partner
Membership Number: 504777
UDIN: 26504777NIFCLD1248

Place of Signature: Hyderabad
Date: May 12, 2026

Consolidated Balance Sheet as at March 31, 2026

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

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	4,972.28	4,361.24
Capital work in progress	3.1	344.01	531.61
Intangible assets	3 (b)	21.11	25.42
Right-of-use-assets	31	149.65	-
Financial assets			
-Investments	4 (a)	0.10	0.10
-Other financial assets	5	45.67	44.79
Non-current tax assets (net)	6 (a)	-	15.41
Other non-current assets	7	619.28	143.49
		6,152.10	**5,122.06**
Current assets			
Inventories	9	5,005.22	3,460.52
Financial assets			
Investment in mutual funds	4 (b)	2,153.39	-
Trade receivables	10	3,368.23	2,097.78
Cash and cash equivalents	11	9.96	19.34
Bank balances other than cash and cash equivalents	12	202.25	149.90
Other financial assets	5	42.67	68.53
Other current assets	8	500.43	384.69
		11,282.15	**6,180.76**
Total Assets		**17,434.25**	**11,302.82**
Equity and liabilities			
Equity			
Equity share capital	13	307.59	307.59
Other equity	14	7,918.28	6,981.59
		8,225.87	**7,289.18**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	1,476.62	810.46
Lease liabilities	31	67.37	-
Provisions	15	111.98	46.75
Deferred tax liabilities (net)	16	249.38	223.66
Other Non current liabilities	19	34.64	31.78
		1,939.99	**1,112.65**
Current liabilities			
Financial liabilities			
Borrowings	17	2,215.59	962.12
Lease liabilities	31	6.07	-
Trade payables	18		
- total outstanding dues of micro, small and medium enterprises		213.51	115.75
- total outstanding dues of creditors other than micro, small and medium enterprises		1,285.51	945.44
Other financial liabilities	17A	917.59	394.97
Other current liabilities	19	2,549.36	444.91
Provisions	15	47.55	37.80
Current tax liabilities (net)	6 (b)	33.21	-
		7,268.39	2,900.99
Total equity and liabilities		**17,434.25**	**11,302.82**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the consolidated 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 12,2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Place: Hyderabad Date: May12, 2026

Consolidated statement of profit and loss for the year ended March 31, 2026

(All amounts are in Indian rupees in millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	20	8,762.06	6,759.95
Other income	21	230.90	51.50
Total income		**8,992.96**	**6,811.45**
Expenses			
Cost of materials consumed	22	5,034.80	3,495.10
Changes in inventories of work-in-progress	23	(450.74)	(75.95)
Employee benefit expense	24	1,509.13	1,237.63
Finance costs	25	293.58	221.79
Depreciation and amortisation expense	26	350.25	322.35
Other expenses	27	956.81	894.83
Total expenses		**7,693.83**	**6,095.75**
Profit before exceptional items and tax		**1,299.13**	**715.70**
Exceptional Items	28	37.67	-
Profit before tax		**1,261.46**	**715.70**
Tax expense	29		
Current tax		302.48	175.87
Adjustment of tax relating to earlier periods		(8.26)	(4.22)
Deferred tax	16	26.94	15.18
Total tax expense		**321.16**	**186.83**
Profit for the year		**940.30**	**528.87**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plans	32	(4.83)	(4.00)
Income tax on above		1.22	1.01
OCI for the period, net of tax		**(3.61)**	**(2.99)**
Total comprehensive income for the year		**936.69**	**525.88**
Earnings per equity share of Rs. 10 each fully paid (31 March, 2026; INR 10)	30		
Basic and diluted, computed on the basis of profit attributable to equity holders		30.57	**17.19**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the consolidated 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 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Place: Hyderabad
Date: May 12, 2026

Consolidated statement of cash flows for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before tax	**1,261.46**	**715.70**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	350.25	322.35
Finance costs	293.58	221.79
Profit from sale of mutual funds	-	(0.42)
Fair value gain on financial instruments at fair value through profit and loss (net)	(3.39)	-
Net Unrealised exchange gain/(loss)	(86.30)	-
Profit on sale of property, plant and equipment	(5.63)	(12.91)
Interest income on Income Tax Refund	(1.81)	
Interest income on bank deposits and others	(10.02)	(10.28)
Operating profit before working capital changes	**1,798.14**	**1,236.23**
Movements in working capital:		
Decrease / (Increase) in trade receivables	(1,166.94)	(630.55)
Decrease / (Increase) in inventories	(1,544.70)	15.79
Decrease / (Increase) in current and non current financial assets	34.53	12.58
Decrease / (Increase) in other current and non current assets	(118.37)	(268.39)
Increase / (decrease) in trade payables	420.61	437.66
Increase / (decrease) in other financial liabilities	616.70	196.33
Increase / (decrease) in other current and Non current liabilities	2,107.31	127.39
Increase / (decrease) in provisions	70.15	19.91
Cash generated from operations	**2,217.43**	**1,146.95**
Income tax paid (net of refunds)	(248.40)	(134.42)
Net cash flows from operating activities (A)	**1,969.03**	**1,012.53**
B Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress, capital creditors and capital advances	(1,336.03)	(1,003.12)
Proceeds from Sale of property, plant and equipment	11.79	13.24
Investment in units of mutual fund	(2,150.00)	(70.00)
Receipt from redemption in units of mutual fund	-	70.42
Investment in bank deposits	(88.71)	(127.89)
Redemption from bank deposits	26.76	79.44
Interest received	10.07	10.73
Net cash flows used in investing activities (B)	**(3,526.12)**	**(1,027.18)**
C Cash flow from/(used in) financing activities		
Proceeds from long term borrowings	1,101.02	291.63
Repayment of long term borrowings	(451.36)	(446.06)
Payment of principal portion of lease liabilities	(82.95)	-
Proceeds from / (repayment of) short term borrowings (net)	1,269.97	17.85
Finance costs paid	(288.97)	(221.79)
Net cash flows from/(used in) financing activities (C)	**1,547.71**	**(358.37)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(9.38)**	**(373.02)**
Cash and cash equivalents at the beginning of the year	19.34	392.36
Cash and cash equivalents at the end of the year	**9.96**	**19.34**

Consolidated statement of cash flows for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Components of cash and cash equivalents		
Cash on hand	0.32	0.70
Balance with banks:		
Current accounts	9.64	18.64
Total cash and cash equivalents	**9.96**	**19.34**

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:

Particulars	Long-term including current maturities	Short-term
Opening as on April 01, 2024	1,424.70	484.46
Proceeds for Long-term including current maturities	291.63	-
Repayment for Long-term including current maturities	(446.06)	-
Proceeds / (repayment) for Short-term (net)	-	17.85
Closing as on March 31, 2025	**1,270.27**	**502.31**
Proceeds for Long-term including current maturities	1,101.02	-
Repayment for Long-term including current maturities	(451.36)	-
Proceeds / (repayment) Short-term (net)	-	1,269.97
Closing as on March 31, 2026	**1,919.93**	**1,772.28**
Summary of material accounting policies 2.2		

The accompanying notes are an integral part of the consolidated 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 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Place: Hyderabad
Date: May 12, 2026

Consolidated statement of changes in equity for the year ended March 31, 2026

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

a) Equity Share Capital

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, 2026		
As at April 01, 2025	**3,07,59,591**	**307.59**
Add: Issued during the year	-	-
As at March 31, 2026	**3,07,59,591**	**307.59**
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**

b) Other Equity

Particulars	Securities premium	Capital redemption reserve	Retained Earnings	Total
As at April 01, 2024	**3,199.56**	**14.55**	**3,241.60**	**6,455.71**
Profit for the year	-	-	528.87	528.87
Other comprehensive income for the year (net of tax)	-	-	(2.99)	(2.99)
As at March 31, 2025	**3,199.56**	**14.55**	**3,767.48**	**6,981.59**
Profit for the year	-	-	940.30	940.30
Other comprehensive income for the year (net of tax)	-	-	(3.61)	(3.61)
As at March 31, 2026	**3,199.56**	**14.55**	**4,704.17**	**7,918.28**

The accompanying notes are an integral part of the consolidated 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 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Place: Hyderabad
Date: May 12, 2026

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

1 Corporate Information

The consolidated financial statements comprise financial statements of MTAR Technologies Limited, ("MTAR" or "the Holding Company" or "the Company" or "the Parent") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2026. 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 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 Holding Company listed its shares in both BSE and NSE on March 15, 2021.

The Group is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including nuclear, aerospace, defence, etc.

The consolidated financial statements were approved for issue in accordance with a resolution passed by the Board of Directors of the Company on 12 May 2026.

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 significant 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.a Basis of preparation

The consolidated financial statements for the year ended March 31, 2026 comprising of consolidated balance sheet as at March 31, 2025, consolidated statement of profit and loss, consolidated statement of cash flow and consolidated statement of changes in equity for the year then 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 consolidated 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 INR in millions upto two decimal places, except when otherwise indicated.

2.1.b Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2026.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

"The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies."

The financial statements of subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2026. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure

1. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary.
2. Eliminate the carrying amount of the Holding Company's investment in subsidiary and the Holding Company's portion of equity of subsidiary till date of incorporation of subsidiary.
3. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
4. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

2.2 Summary of material accounting policies

a) Current versus non-current classification

The Group 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.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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 Group 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 Group 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 Group 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)
Property, plant and equipment	
Buildings	30
Plant and machinery	15
Electrical equipment	5
Furniture and fixtures	10
Office equipment	5
Computers	3 / 6 years
Leasehold improvements	Provided over lease period or 30 years, whichever lower
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.

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

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

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) Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Arrangements as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the right-of-use asset transfers to The Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by The Group and payments of penalties for terminating the lease, if the lease term reflects The Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, The Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

e) 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.

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

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

f) Impairment of non financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The Group'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 Group 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 Group 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 Group 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.

g) 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 Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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.

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. The contracts that Group 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 Group 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 Group 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 Group 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.

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

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

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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group 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 Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

h) 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.

i) Foreign currency transactions

Items included in the financial statements of Group are measured using currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Group. 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 Group 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 Group 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 Group determines the transaction date for each payment or receipt of advance consideration.

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

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

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 Asset

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group 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 Group'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 Group commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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 Group. 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.

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 Group 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.

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

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

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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group'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 Group could be required to repay. In that case, the Group 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 Group 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. the Group 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 Group 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 Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group on terms that the Group 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.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Subsequent measurement

The measurement of financial liabilities is as described below:

Loans and borrowings

This is the category most relevant to the Group. 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 Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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.

k) 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.

l) Fair value measurement

The Group 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 Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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 Group 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 Group 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 Group 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)

m) 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:

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

-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. 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 Group 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.

n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. the Group 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 Group 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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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 Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group 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 Group 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.

o) Provisions and contingent liabilities

“Provisions are recognised when the Group 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 Group 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 Group 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 Group 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.

p) 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 share-holders of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) 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 Group’s cash management.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

r) Cash dividend to equity holders of the Group

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. 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 Group's Board of Directors. A corresponding amount is recognised directly in equity.

s) Supplier finance arrangements

The Group has established supplier finance arrangements (Refer Note 17A). the Group 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 Group 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 Group 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 Group 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 Group (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 Group finally settles the liability.

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

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

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

t) New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

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

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

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

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Note 3a : Property, plant and equipment and intangible assets

	Freehold land	Buildings	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Leasehold Im-provements	Vehicles	Total property, plant and equipment
As at April 01, 2024	**657.01**	**828.25**	**2,775.60**	**40.70**	**58.92**	**30.32**	**57.05**	**-**	**19.94**	**4,467.79**
Additions during the year	-	8.28	1,037.13	9.15	18.73	16.53	8.47	-	3.76	**1,278.63**
Disposals during the year	-	-	8.28	-	-	-	-	-	-	**8.28**
As at March 31, 2025	**657.01**	**1,013.11**	**3,804.45**	**49.85**	**77.65**	**46.85**	**65.52**	**-**	**23.70**	**5,738.14**
Additions during the year	-	178.94	701.85	4.63	38.46	1.43	13.27	5.06	4.55	**948.19**
Disposals during the year	-	-	26.90	-	-	-	-	-	-	**26.90**
As at March 31, 2026	**657.01**	**1,192.05**	**4,479.40**	**54.48**	**116.11**	**48.28**	**78.79**	**5.06**	**28.25**	**6,659.43**
Accumulated depreciation and amortisation										
As at April 01, 2024	**-**	**125.90**	**842.32**	**22.01**	**21.04**	**13.16**	**36.89**	**-**	**8.39**	**1,069.71**
Charge for the year	-	30.63	256.03	4.41	4.56	7.13	9.72	-	2.21	**314.69**
Disposals for the year	-	-	7.50	-	-	-	-	-	-	**7.50**
As at April 01, 2025	-	**156.53**	**1,090.85**	**26.42**	**25.60**	**20.29**	**46.61**	**-**	**10.60**	**1,376.90**
Charge for the year	-	40.40	257.90	5.72	6.75	7.62	10.01	0.08	2.21	**330.69**
Disposals for the year	-	-	20.44	-	-	-	-	-	-	**20.44**
As at March 31, 2026	-	**196.93**	**1,328.31**	**32.14**	**32.35**	**27.91**	**56.62**	**0.08**	**12.81**	**1,687.15**
Net block										
As at March 31, 2026	**657.01**	**995.12**	**3,151.09**	**22.34**	**83.76**	**20.37**	**22.17**	**4.98**	**15.44**	**4,972.28**
As at March 31, 2025	**657.01**	**856.58**	**2,713.60**	**23.43**	**52.04**	**26.56**	**18.92**	**-**	**13.10**	**4,361.24**

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

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

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

Note 3b: Intangible assets

	Intangible assets- Software
As at April 01, 2024	**48.51**
Additions during the year	25.78
Disposals during the year	-
As at March 31, 2025	**74.29**
Additions during the year	8.51
Disposals during the year	-
As at March 31, 2026	**82.80**
Accumulated depreciation and amortisation	
As at April 01, 2024	**41.21**
Charge for the year	7.66
Disposals for the year	-
As at March 31, 2025	**48.87**
Charge for the year	12.82
Disposals for the year	-
As at March 31, 2026	**61.69**
Net block	
As at March 31, 2026	**21.11**
As at March 31, 2025	**25.42**

Note 3.1: Capital work in progress

Particulars	Amount
As at April 01, 2024	**728.82**
Additions	1,107.20
Capitalised during the year	(1,304.41)
As at March 31, 2025	**531.61**
Additions	769.10
Capitalised during the year	(956.70)
As at March 31, 2026	**344.01**

Capital work in progress (CWIP)

(a) Ageing schedule

	March 31, 2026					March 31, 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	269.21	38.68	23.82	12.30	344.01	390.14	73.10	68.37	-	531.61
Total	**269.21**	**38.68**	**23.82**	**12.30**	**344.01**	**390.14**	**73.10**	**68.37**	**-**	**531.61**

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

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

b) As at March 2026, there are no projects for which the completion is overdue or has exceeded its cost as compared to its original plan.
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.

Note 4: Investments

	As at March 31, 2026	As at March 31, 2025
(a) Non-current investments		
Unquoted equity shares		
(a) Others (at fair value through profit or loss)		
Samuha Engineering Industries Limited [10,000 (March 31, 2025: 10,000) equity shares of par value Rs. 10 each (31 March 2025 : INR 10 each) fully paid]	0.10	0.10
	0.10	**0.10**
Quoted		
(b) Mutual fund units (at fair value through profit or loss)		
4,63,02,855 units (March 31, 2025: Nil units) of SBI savings fund- direct plan-growth	2,153.39	-
	2,153.39	**-**
Aggregate amount of unquoted investments- in others	**0.10**	**0.10**

5 Financial assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	39.28	30.25
Deposit with remaining maturity more than 12 months (refer note 12)	6.39	14.54
	45.67	**44.79**
Current		
Deposit with remaining maturity less than 12 months (refer note 12)	21.30	3.55
Retention money	18.47	62.74
Interest accrued	1.04	1.09
Loans and advances to employees	1.86	1.15
	42.67	**68.53**

6 (a) Non current tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax (net)	-	15.41
	-	**15.41**

6 (b) current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net)		
Tax liability	**33.21**	**-**
	33.21	**-**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The Group 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, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Prepaid expenses	7.46	4.83
Advance for capital goods	586.29	113.13
Balances recoverable from government authorities	25.53	25.53
	619.28	**143.49**

8 Other current assets

	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good		
Advance to suppliers	184.18	102.24
Prepaid expenses	40.40	12.32
Export benefits receivable	-	5.01
Balances recoverable from government authorities	275.85	265.12
	500.43	**384.69**

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

	As at March 31, 2026	As at March 31, 2025
Raw materials	2,714.19	1,661.99
[Includes in transit: Rs. 515.05 (March 31, 2025: Rs. 240.45)]		
Stores and Spares	158.29	116.53
Work-in-progress	2,132.74	1,682.00
	5,005.22	**3,460.52**

10 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured considered good	3,369.43	2,098.98
Less: allowance for credit losses	1.20	1.20
	3,368.23	**2,097.78**

No trade or other receivable are due from directors or other officers of the Group 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.

Movement in expected credit loss

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1.20	1.20
Provision made during the year, net of reversals	-	-
Bad debts written off against opening provision during the year	-	-
Balance at the end of the year	**1.20**	**1.20**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade receivables ageing schedule
As at March 31, 2026

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	3,107.17	244.35	6.76	5.38	5.77	-	3,369.43
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**3,107.17**	**244.35**	**6.76**	**5.38**	**5.77**	**-**	**3,369.43**
Less: allowance for credit losses							1.20
Total							**3,368.23**

As at March 31, 2025

	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good	1,795.64	216.28	30.01	54.72	1.97	0.36	2,098.98
Trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**1,795.64**	**216.28**	**30.01**	**54.72**	**1.97**	**0.36**	**2,098.98**
Less: allowance for credit losses							1.20
Total							**2,097.78**

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

11 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.32	0.70
Balances with banks		
On current accounts	9.64	18.64
	9.96	**19.34**

12 Balances at bank other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Margin money deposits*		
Deposits with original maturity for more than three months but remaining maturity of less than twelve months	202.25	149.90
Deposits with remaining maturity of more than twelve months	6.39	14.54
Less: Amount clubbed under 'non-current financial assets- others' (refer note 5)	(6.39)	(14.54)
Deposits with remaining maturity of less than twelve months	21.30	3.55
Less: Amount clubbed under 'current financial assets- others' (refer note 5)	(21.30)	(3.55)
	202.25	**149.90**

* Margin money deposits represent security held by bank for the bank guarantees and letter of credits of Rs. 1,499.48 (March 31, 2025: Rs. 726.65) issued by the bankers on behalf of the Group.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Investment in units of mutual funds (quoted)	2,153.39	2,153.39	-	-
Investments in unquoted equity shares (others)	0.10	0.10	0.10	0.10
Total financial assets carried at fair value through profit or loss	**2,153.49**	**2,153.49**	**0.10**	**0.10**

Breakup of financial assets carried at amortised cost:

	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	3,368.23	3,368.23	2,097.78	2,097.78
Cash and cash equivalent	9.96	9.96	19.34	19.34
Balances at bank other than cash and cash equivalents	202.25	202.25	149.90	149.90
Retention money	18.47	18.47	62.74	62.74
Security deposits	39.28	39.28	30.25	30.25
Deposit with remaining maturity more than 12 months	6.39	6.39	14.54	14.54
Deposit with remaining maturity less than 12 months	21.30	21.30	3.55	3.55
Interest accrued	1.04	1.04	1.09	1.09
Loans and advances to employees	1.86	1.86	1.15	1.15
Total financial assets carried at amortised cost	**3,668.78**	**3,668.78**	**2,380.34**	**2,380.34**

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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	66,000,000	660.00	66,000,000	660.00
Issued, subscribed and fully paid up shares				
Equity shares of Rs. 10 each	**30,759,591**	**307.59**	**30,759,591**	**307.59**

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

	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	30,759,591	307.59	30,759,591	307.59
Issued during the year	-	-	-	-
At the end of the year	**30,759,591**	**307.59**	**30,759,591**	**307.59**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(b) Rights, preferences and restrictions attached to shares

The Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	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 Holding 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) Details of shares held by promoters
As at March 31, 2026
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	(2,00,000)	11,92,903	3.88%	-0.65%
Mitta Madhavi	14,30,983	(48,000)	13,82,983	4.50%	-0.16%
A Manogna	11,61,889	(2,98,392)	8,63,497	2.81%	-0.97%
Saranya Loka Reddy	5,99,666	(97,000)	5,02,666	1.63%	-0.32%
P Kalpana Reddy	8,74,000	(59,999)	8,14,001	2.65%	-0.20%
K Shalini	4,10,483	-	4,10,483	1.33%	0.00%
Leelavathi Parvatha Reddy	10,21,712	2,97,000	13,18,712	4.29%	0.97%
Kavitha Reddy Gangapatnam	4,92,741	(2,50,000)	2,42,741	0.79%	-0.81%
Praval Reddy Akepati	2,50,000	-	2,50,000	0.81%	0.00%
Anushman Reddy	2,68,128	-	2,68,128	0.87%	0.00%
Suprathik G V Reddy	6	-	6	0.00%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
Total	**97,71,098**	**(6,56,391)**	**91,14,707**	**29.63%**	**-2.13%**

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

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

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 Chigarapalli	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%
Suprathik G V Reddy	6	-	6	0.00%	0.00%
Northeast Broking Services Limited	12,500	-	12,500	0.04%	0.00%
Total	**1,14,74,474**	**(16,90,876)**	**97,71,098**	**31.77%**	**-5.50%**

14. Other Equity

	As at March 31, 2026	As at March 31, 2025
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	3,767.48	3,241.60
Add: Other comprehensive income for the year	(3.61)	(2.99)
Add: Profit for the year	940.30	528.87
Balance at the end of the year	**4,704.17**	**3,767.48**
	7,918.28	**6,981.59**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Capital reserve

The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve.

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 Group 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 Group 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 Group and eligible for distribution to shareholders.

15. Provisions

	As at March 31, 2026	As at March 31, 2025
Non-current		
Provision for employee benefits		
- Gratuity (refer note 32)	110.79	46.56
- Other provisions	1.19	0.19
	111.98	**46.75**
Current		
Provision for employee benefits		
- Gratuity (refer note 32)	27.84	20.30
- Compensated absences	19.71	17.50
	47.55	**37.80**

16. Deferred tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liability arising on account of timing differences relating to:		
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	311.42	263.14
	311.42	**263.14**
Deferred tax asset arising on account of timing differences relating to:		
Expenses allowed on payment basis	62.04	39.48
	62.04	**39.48**
Deferred tax liability (net)	**249.38**	**223.66**

The Group 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.

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

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

Break up of deferred tax (asset) / liabilities

	Opening balance	Recognised in the statement of profit and loss	Recognised in OCI	Closing balance
For the year ended March 31, 2026:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	263.14	48.28	-	311.42
Expenses allowed on payment basis	(39.48)	(21.34)	(1.22)	(62.04)
	223.66	**26.94**	**(1.22)**	**249.38**
For the year ended March 31, 2025:				
Written down value difference of property, plant and equipment and intangible assets between tax and financial books	233.31	28.87	-	263.14
Expenses allowed on payment basis	(24.78)	(13.69)	(1.01)	(39.48)
	208.53	**15.18**	**(1.01)**	**223.66**

17. Borrowings

	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured bank borrowings		
Long-term borrowings	1,919.93	1,270.27
Less: Current maturity of long-term borrowings disclosed under “short-term borrowings”	(443.31)	(459.81)
	1,476.62	**810.46**
Current		
Secured bank borrowings		
Cash credit	1,772.28	502.31
Current maturity of long-term borrowings	443.31	459.81
	2,215.59	**962.12**
Aggregate secured borrowings	**3,692.21**	**1,772.58**
Aggregate unsecured borrowings	-	-

1. The long-term borrowings including current maturities of Rs. 1,919.93 (March 31, 2025: Rs. 1,270.27) from banks is secured by collateral security against inventories, trade receivables and all other current assets of the present and future current assets of the Group. The Group has not fully drawn the loan facility as at March 31, 2026.

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

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

The table below summarises the maturity profile of the Group's borrowings:

	As of march 31, 2026						
	Interest Rate (range)	Frequency of installments	Number of installments outstanding per facility (range)	Within One Year	Between one and two years	Between two and five years	Over five years
Term Loans	7.93% to 9.85%	Monthly	7-36	134.52	100.00	166.67	-
	7.30% to 9.45%	Quarterly	5-15	308.79	505.23	704.72	-
				443.31	605.23	871.39	-

	As of march 31, 2025						
	Interest Rate (range)	Frequency of installments	Number of installments outstanding per facility (range)	Within One Year	Between one and two years	Between two and five years	Over five years
Term Loans	9.65% to 9.85%	Monthly	19	172.96	100.90	-	-
	8.25% to 9.45%	Quarterly	9-16	286.85	285.66	423.91	-
				459.81	386.56	423.91	-

2. Cash credit and export packing credit facility (USD) aggregating to Rs. 1,772.28 (March 31, 2025: Rs. 502.31) is secured against inventories, trade receivables, and all other charges on current assets of the present and future current assets of the Group. Further the borrowing is secured by collateral security on the certain land and building of the Group.

The cash credit facility is repayable on demand and carries interest @ 6.67% to 9.69% p.a. (March 31, 2025: 7.22% to 9.57% p.a.). The export packing credit in USD carries interest @ 4.69% p.a. (March 31, 2025: Nil)

17A Other Financial Liabilities

	As at March 31, 2026	As at March 31, 2025
Payable for capital goods	14.94	109.02
Supplier credit *	745.13	163.36
Accrued Wages and Salaries	157.52	122.59
	917.59	**394.97**

* Supplier credit availed at an interest rate ranging from 6.73% to 9.15%.

18 Trade Payable

	As at March 31, 2026	As at March 31, 2025
- dues of micro and small enterprises	213.51	115.75
- dues of creditors other than micro and small enterprises	1,285.51	945.44
	1,499.02	**1,061.19**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Trade payables ageing schedule
As at March 31, 2026

		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	-	213.51	-	-	-	213.51
Total outstanding dues of creditors other than MSME	348.81	928.73	6.36	0.95	0.66	1,285.51
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	348.81	**1,142.24**	**6.36**	**0.95**	**0.66**	**1,499.02**

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	-	115.75	-	-	-	115.75
Total outstanding dues of creditors other than MSME	300.56	625.78	8.57	10.53	0.00	945.44
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
	300.56	**741.53**	**8.57**	**10.53**	**0.00**	**1,061.19**

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

For explanations on the Group's credit risk management processes, refer to Note 37.

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

	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount remaining unpaid	213.51	115.75
Interest due thereon	-	-
	213.51	**115.75**
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	-	-

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

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

Breakup of financial liabilities carried at amortised cost:

	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings- long-term including current maturities	1,919.93	1,919.93	1,270.27	1,270.27
Lease Liabilities (non current)	67.37	67.37	-	-
Borrowings- short-term	1,772.28	1,772.28	502.31	502.31
Lease Liabilities (current)	6.07	6.07	-	-
Payable for capital goods	14.94	14.94	109.02	109.02
Supplier credit	745.13	745.13	163.36	163.36
Accrued Wages and Salaries	157.52	157.52	122.59	122.59
Trade payables	1,499.02	1,499.02	1,061.19	1,061.19
	6,182.26	**6,182.26**	**3,228.74**	**3,228.74**

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, 2026	As at March 31, 2025
Non-Current		
Statutory dues	34.64	31.78
	34.64	**31.78**
Current		
Statutory dues	22.83	11.50
Contract liability- advance from customers (refer note 20)	2,526.53	433.41
	2,549.36	**444.91**

20. Revenue from Operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Revenue from contracts with customers		
Sale of products	8,654.01	6,646.46
	8,654.01	**6,646.46**
(B) Other operating revenue		
- Sale of scrap and others	108.05	113.49
	108.05	**113.49**
Total (A+B)	**8,762.06**	**6,759.95**

(i) Disaggregated revenue information

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	1,475.12	1,328.80
Outside India	7,178.89	5,317.66
	8,654.01	**6,646.46**
Timing of revenue recognition		
Goods transferred at a point of time	8,654.01	6,646.46
Total	**8,654.01**	**6,646.46**

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

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

(ii) Contract balances

	As at March 31, 2026	As at March 31, 2025
Trade receivable	3,368.23	2,097.78
Retention money	18.47	62.74
Contract liabilities		
Advance from customer	2,526.53	433.41

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. 181.62 (March 31, 2025: Rs. 65.16). Generally the advance from customers are settled over a period of 1 to 3 years.

21. Other Income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on bank deposits and others	10.02	10.28
Interest income on Income Tax Refund	1.81	1.80
Other non operating income:		
Foreign exchange gain (net)	206.57	25.71
Profit on sale of Assets	5.63	12.91
Profit from sale of mutual funds	-	0.42
Fair value gain on financial instruments at fair value through profit and loss (net)	3.39	-
Miscellaneous income	3.48	0.38
	230.90	**51.50**

22. Cost of materials consumed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	1,778.52	1,870.26
Add: Purchases	6,128.76	3,403.36
Less: Inventory at the end of the year	(2,872.48)	(1,778.52)
	5,034.80	**3,495.10**

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

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

23. Changes in inventories of work-in-progress

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory at the beginning of the year	1,682.00	1,606.05
Less: Inventory at the end of the year	(2,132.74)	(1,682.00)
	(450.74)	**(75.95)**

24. Employee Benefit Expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	1,375.00	1,142.25
Contribution to provident and other funds [refer note 32 (II)]	56.72	46.89
Gratuity expense [refer note 32 (I)]	29.26	19.26
Staff welfare expenses	48.15	29.23
	1,509.13	**1,237.63**

On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes.

The four codes prescribe an inclusive definition of the term ‘wages’, which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers’ leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

The Group has assessed the impact of these changes on the basis of legal view obtained by the management and best information available till authorisation of the financial statements for issue. The Group has determined that these changes result in an increase in gratuity obligation of INR 37.67 millions. Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has presented increase in obligation as an expense under the head “Exceptional Items” in the statement of profit and loss for the year ended 31 March 2026 (refer note 28). Also, pursuant to the change, the entire obligation toward accumulated leave of workers has been classified as current liability in the balance sheet as at 31 March 2026, instead of current and non-current classification based on the actuarial valuation report.

25. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses		
- Short term borrowings	122.49	53.29
- Long term borrowings	115.94	119.63
Interest on lease liabilities (refer note 31)	2.05	-
Interest on Income Tax	4.58	-
Bank charges	48.52	48.87
	293.58	**221.79**

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

26. Depreciation and amortisation expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	330.69	314.69
Amortisation of Right-of-use assets	6.74	-
Amortisation on intangible assets	12.82	7.66
	350.25	**322.35**

27. Other Expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sub-contractor charges	128.48	263.84
Production expenses	277.53	167.35
Power and fuel	191.04	169.43
Repairs and maintenance		
- Buildings	31.42	35.62
- Plant and machinery	47.40	55.25
- Others	12.53	13.81
Insurance	21.76	14.38
Rates and taxes	13.29	14.39
Travelling and conveyance	26.50	20.52
Freight and forwarding	27.09	20.39
Legal and professional charges	70.62	35.09
Security charges	29.62	18.25
Payment to auditors (refer below)	8.43	6.84
CSR expenses (refer note 33)	19.11	20.00
Miscellaneous expenses	51.99	39.67
	956.81	**894.83**

Payment to auditors

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
Audit fee	3.70	3.60
Limited review	3.40	3.00
In other capacity:		
Other services (certification fees)	1.00	-
Out of pocket expenses	0.33	0.24
	8.43	**6.84**

28. Exceptional Items

	For the year ended March 31, 2026	For the year ended March 31, 2025
Past Service Cost - Gratuity Expense (Refer note 24 & 32)	37.67	-
	37.67	-

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

29. Tax Expense

a) Income tax expense:
The major components of income tax expense

(i) Profit or loss section

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Current tax	302.48	175.87
B. Deferred tax		
Tax expense on origination and reversal of temporary difference	26.94	15.18
Actual tax expense accounted in books	**329.42**	**191.05**
C. Adjustment of tax relating to earlier periods		
Income tax expense recognised in the statement of profit and loss	(8.26)	(4.22)
	321.16	**186.83**

(ii) OCI Section

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense to OCI	(1.22)	(1.01)

b) Reconciliation of effective tax rate:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax (A)	1,261.46	715.70
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	**317.48**	**180.13**
Tax effect of		
Adjustments for taxes with respect of earlier period	(8.26)	(4.22)
Expenses disallowed under Income Tax Act, 1961	7.13	5.03
Others	4.81	5.89
Total (D)	**3.68**	**6.70**
Expected tax expenses (C+D)	321.16	186.83
Income tax expenses	321.16	186.83
Effective tax rate	25.46%	26.10%

30. 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, 2026	For the year ended March 31, 2025
Profit attributable to equity share holders	940.30	528.87
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* 940.30/30.76 (March 31, 2025: 528.87/30.76)	**30.57**	**17.19**

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

31. Leases

The Group has entered into contracts for various leases involving land with lease terms between 6 to 19 years.

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

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

The effective interest rate for lease liabilities ranges between 7.80 % to 9.15%, with maturity between 2031-2044 (31 March 2025: Nil)

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	-
Additions and modifications	156.39	-
Disposals / Terminations	-	-
Amortisation of Right-of-use assets (refer note 26)	6.74	-
Balance at the end of the year	**149.65**	**-**

Below are the carrying amounts of lease liabilities and the movements during the year:

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**-**	**-**
Additions and modifications	154.34	-
Disposals / Terminations	-	-
Interest on lease liabilities (refer note 25)	2.05	-
Payments	82.95	-
Balance at the end of the year	**73.44**	**-**

The following is the break-up of current and non-current lease liabilities

	As at March 31, 2026	As at March 31, 2025
Current	6.07	-
Non- Current	67.37	-
	73.44	**-**

The following are the amounts recognised in the statement of profit and loss:

	As at March 31, 2026	As at March 31, 2025
Amortisation of Right-of-use assets (refer note 26)	6.74	-
Interest on lease liabilities (refer note 25)	2.05	-
	8.79	**-**

The table below provides details regarding contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2026	As at March 31, 2025
Less than one year	11.52	-
One to three years	24.74	-
More than 3 years	72.75	-
	109.01	**-**

The Group does not face a liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

32. Employmee 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.

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

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	25.06	16.09
Past service cost (Refer note 28)	37.67	-
Interest cost on defined benefit obligation	14.99	14.82
Interest (income) on plan assets	(10.36)	(11.65)
Net employee benefit expenses	**67.36**	**19.26**

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurements- due to experience adjustments	18.20	(1.64)
Return on plan assets	0.22	1.00
Remeasurements- due to demographic Assumptions	1.46	
Remeasurements- due to financial assumptions	(15.05)	4.64
	4.83	**4.00**

C) Amount recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	283.39	230.85
Fair value of plan assets	144.76	163.99
Net defined benefit liability	**138.63**	**66.86**

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

	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	230.85	213.07
Interest cost	14.99	14.82
Current service cost	25.06	16.09
Past service cost	37.67	-
Net actuarial (losses) / gains on obligations recognised under OCI	4.61	3.01
Benefit payments from plan assets	(29.79)	(16.14)
Closing defined benefit obligation	**283.39**	**230.85**

E) Changes in the fair value of plan assets

	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	**163.99**	**169.06**
Interest income	10.36	11.65
Remeasurements- return on assets	(0.22)	(1.00)
Contributions by employer	0.42	0.42
Benefit payments from plan assets	(29.79)	(16.14)
Closing fair value of plan assets	**144.76**	**163.99**

Expected contribution to the gratuity fund during the next year would be Rs. 138.63 (March 31, 2025: Rs. 66.86)

Investment details of plan assets

Investment with insurer- Assets under Schemes of Insurance	100.00%	100.00%

(i) The principal assumptions used in determining gratuity obligation

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.79%	6.94%
Rate of increase in compensation	7.00%	7.00%
Employee attrition rate	8.00%	5.00%
Mortality rate	Indian assured life mortality (2012-14)	Indian assured life mortality (2012-14)

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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

	As at March 31, 2026	As at March 31, 2025
1 year	28.01	20.59
2-5 years	155.30	105.62
6-10 years	125.93	96.26

The weighted average duration of the defined benefit obligation is 7.00 years (March 31, 2025: 8.00 years).

(iii) Sensitivity analysis:

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

	As at March 31, 2026	As at March 31, 2025
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(15.91)	(15.30)
- 1% decrease	17.88	17.47
(b) Effect of 1% change in rate of increase in compensation		
- 1% increase	18.90	18.42
- 1% decrease	(17.36)	(16.46)
(c) Effect of 1% change in assumed attrition rate		
- 1 % increase	0.33	(0.25)
- 1 % decrease	(0.40)	0.26

II. Defined contribution plans

The Group made provident fund and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. the Group recognised Rs. 56.72 (March 31, 2025: Rs. 46.89) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

33. Detail of CSR expenditure

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Group during the year	19.11	20.00
(b) Amount approved by the Board to be spent during the year	19.11	20.00
(c) Amount spent during the year (in cash)		
i) Construction /acquisition of any asset	-	-
ii) On purposes other than (i) above	19.11	20.00
(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	-	-
	-	-

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

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

(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, 2026							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	19.11	19.11	-	-	-
March 31, 2025							
Ongoing project	-	-	-	-	-	-	-
Other than ongoing project	-	-	20.66	20.66	-	-	-

34. Commitments and contingencies

a. Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 1,600.17 (March 31, 2025: Rs. 121.20).

b. Contingent liabilities

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

35. 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 Group 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 Group. 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 32.

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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.

36. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. the Group'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 Group is exposed to credit risk, market risk and liquidity risk. the Group has a risk management policy and its management is supported by a risk management committee that advices on risk and appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group'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 Group'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 Group 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 Group 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 Group'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. 3,386.70 (March 31, 2025: Rs. 2,160.52) being the total of the carrying amount of balances with trade receivables (including retention money) (ii) cash and cash equivalent (excluding cash on hand) and balance at bank other than cash and cash equivalent of Rs. 211.89 (March 31, 2025: Rs. 168.54) and (iii) other financial assets of Rs. 69.87 (March 31, 2025: Rs. 50.58).

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 Group 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 Group have a defined period for payment of receivables, hence the Group evaluates the concentration of risk with respect to trade receivables as low. The total amount receivable from top 2 customers is Rs. 2,776.33 for March 31, 2025 (March 31, 2025: Rs. 1,590.33).

The cash and cash equivalent (excluding cash on hand) and balance at bank other than cash and cash equivalent of Rs. 211.89 (March 31, 2025: Rs. 168.54) are held with banks having good credit rating.

B. Liquidity risk

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

The Group has also entered into supply chain finance arrangement to smoothen the payment process of the suppliers. Although the payment terms are not significantly extended beyond the normal credit terms agreed upon with other suppliers, the cashflows became more predictable.

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

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

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

	Within 1 year	1 to 5 years	After 5 years	Total
March 31, 2026				
Borrowings	2,215.59	1,476.62	-	3,692.21
Trade payables	1,499.02	-	-	1,499.02
Lease Liabilities	11.52	51.96	45.53	109.01
Other financial liability	917.59	-	-	917.59
	4,643.72	**1,528.58**	**45.53**	**6,217.83**
March 31, 2025				
Borrowings	962.12	810.46	-	1,772.58
Trade payables	1,061.19	-	-	1,061.19
Other financial liability	394.97	-	-	394.97
	2,418.28	**810.46**	**-**	**3,228.74**

The cash credit facility amounting to Rs. 1,772.28 (March 31, 2025: Rs. 502.31), repayable on demand, has been disclosed as within 1 year for the purpose of disclosure of liquidity risk of the Group.

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 Group. the Group 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:

	Currency	Amount in foreign currency	Exchange rate	Amount in Rs.
Trade receivables				
March 31, 2026	USD	29.84	94.65	2,824.85
March 31, 2026	EUR	0.42	109.01	45.61
March 31, 2025	USD	19.57	85.58	1,674.63
March 31, 2025	EUR	0.10	92.32	8.86
Cash and cash equivalents				
March 31, 2026	USD	0.09	94.65	8.53
March 31, 2026	EUR	0.00	109.01	0.01
March 31, 2025	USD	0.01	85.58	0.77
March 31, 2025	EUR	0.00	92.32	0.11
Export packing credit				
March 31, 2026	USD	5.65	94.65	534.80
March 31, 2025	USD	-	85.58	-
Trade payables				
March 31, 2026	USD	11.93	94.65	1,129.61
March 31, 2026	GBP	0.08	125.63	10.33
March 31, 2026	EUR	0.00	109.01	0.02
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

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

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 Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase	Decrease
March 31, 2026	1%	1%	12.04	(12.04)
March 31, 2025	1%	1%	9.18	(9.18)

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 Group 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 Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. the Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group 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 Group's profit before tax for the year end ended March 31, 2026 would decrease / increase by Rs. 36.92 (March 31, 2025: Rs. 17.72).

37. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. the Group's policy is to keep the gearing ratio to an acceptable level. the Group 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 Group'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.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Borrowings including supplier credit	3,692.21	1,772.58
Less: Cash and cash equivalents	(9.96)	(19.34)
Net debt (A)	**3,682.25**	**1,753.24**
Equity (B)	**8,225.87**	**7,289.18**
Equity and net debt (C) = (A) + (B)	**11,908.12**	**9,042.42**
Gearing ratio (A) / (C)	**30.92%**	**19.39%**

38. Related Party Disclosures

Names of related parties and description of relationship

(a) Entity with common KMP

Nettlinx Limited

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

(b) Key managerial personnel

Parvat Srinivas Reddy, Managing Director
A. Praveen Kumar Reddy, Director
Gunneswara Rao Pusarla, Chief financial officer
Shubham Sunil Bagadia, Company secretary (upto May 31, 2024)
Naina Singh, Company secretary (upto January 20, 2026)
Priyanka Agarwal, Company Secretary (w.e.f. February 02, 2026)

(c) Relatives of key management personnel
- A. Pranay Kumar Reddy
- A. Praval Kumar Reddy
- K. Shalini
- P. Sasidhar Reddy

(d) Independent / Non-Executive Directors
Subbu Venkata Rama Behara
A. Krishna Kumar
Ameeta Chatterjee
U C Muktibodh
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, 2026	For the year ended March 31, 2025
A. Transactions with related parties		
Remuneration*		
M. Anushman Reddy	14.86	18.97
Parvat Srinivas Reddy	31.02	40.02
A. Praveen Kumar Reddy	9.91	12.77
A. Pranay Kumar Reddy	0.28	0.85
A. Praval Kumar Reddy	0.94	0.75
Shubham Sunil Bagadia	-	0.16
Naina Singh	1.01	0.82
Priyanka Agarwal	0.22	-
Gunneshwara Rao Pusarla	21.19	20.77
Sitting fees/Commission		
Venkatasatishkumar Reddy Gangapatnam	-	0.37
B V R Subbu	2.41	2.09
A. Krishna Kumar	2.31	2.04
Ameeta Chatterjee	2.31	1.99
U C Muktibodh	2.06	1.74
V.G. Sekaran	2.11	1.79
Rohith Loka Reddy	0.36	0.09
Rent expense		
K. Shalini	0.79	0.76
P. Sasidhar Reddy	1.23	-
Internet Charges		
Nettlinx Limited	1.17	-

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
M. Anushman Reddy	4.14	2.40
Parvat Srinivas Reddy	11.71	5.52
A. Praveen Kumar Reddy	3.64	1.74
A. Pranay Kumar Reddy	0.02	-
A. Praval Kumar Reddy	0.39	-
Naina Singh	-	0.11
Priyanka Agarwal	0.12	-
Gunneshwara Rao Pusarla	2.58	2.23

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

39. 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).

40. Segment Reporting

The Managing director / chief executive officer of the Group 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 Group'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 Group'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, 2026	For the year ended March 31, 2025
India	1,475.12	1,328.80
Outside India	7,178.89	5,317.66
Total	**8,654.01**	**6,646.46**

(b) The Group 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, 2026	1	6,334.19
For the year ended March 31, 2025	1	4,836.99

Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Indian rupees in millions except share data and unless otherwise stated)

41. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle Activity	Country of incorporation	Ownership interest held by the Group Company (%)	
			March 31, 2026	March 31, 2025
Magnatar Aero Systems Private Limited	Specialising in the manufacture of domestic appliance	India	100%	100%
Gee Pee Aerospace and Defence Private Limited	Manufacturing of High precision components with advanced CNC Machining	India	100%	100%

b) Additional information, as required under schedule III of the Companies Act, 2013, as required enterprises considered as subsidiaries.

Summary of net assets and profits
Net assets

Name of entity	As at March 31, 2026		As at March 31, 2025	
	(%)	Amount	(%)	Amount
A. Holding Company	100.38%	8,256.82	100.25%	7,307.19
B. Subsidiaries			0.00%	
Magnatar Aero Systems Private Limited	-0.01%	(0.44)	-0.01%	(0.36)
Gee Pee Aerospace and Defence Private Limited	-0.15%	(12.45)	-0.01%	(0.60)
Total	**100.22%**	**8,243.92**	**100.23%**	**7,306.23**
Consolidation adjustments	-0.22%	(18.05)	-0.23%	(17.05)
Net amount	**100.00%**	**8,225.87**	**100.00%**	**7,289.18**

Share of profit/ (loss)

Name of entity	As at March 31, 2026		As at March 31, 2025	
	(%)	Amount	(%)	Amount
A. Holding Company	101.38%	953.24	101.83%	538.53
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.08)	-0.01%	(0.08)
Gee Pee Aerospace and Defence Private Limited	-1.26%	(11.85)	-1.63%	(8.60)
Total	**100.11%**	**941.31**	**100.19%**	**529.85**
Consolidation adjustments	-0.11%	(1.01)	-0.19%	(0.98)
Net amount	**100.00%**	**940.30**	**100.00%**	**528.87**

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

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

Share in other comprehensive income/ (loss)

Name of entity	As at March 31, 2026		As at March 31, 2025	
	(%)	Amount	(%)	Amount
A. Holding Company	100.00%	(3.61)	100.00%	(2.99)
B. Subsidiaries				
Magnatar Aero Systems Private Limited	0.00%	-	0.00%	-
Gee Pee Aerospace and Defence Private Limited	0.00%	-	0.00%	-
Total	**100.00%**	**(3.61)**	**100.00%**	**(2.99)**
Consolidation adjustments	0.00%	-	0.00%	-
Net amount	**100.00%**	**(3.61)**	**100.00%**	**(2.99)**

Share in total comprehensive income/ (loss)

Name of entity	For the year ended March 31, 2026		For the year ended March 31, 2025	
	(%)	Amount	(%)	Amount
A. Holding Company	101.38%	949.63	101.84%	535.54
B. Subsidiaries				
Magnatar Aero Systems Private Limited	-0.01%	(0.08)	-0.01%	(0.08)
Gee Pee Aerospace and Defence Private Limited	-1.26%	(11.85)	-1.64%	(8.60)
Total	**100.11%**	**937.70**	**100.19%**	**526.86**
Consolidation adjustments	-0.11%	(1.01)	-0.19%	(0.98)
Net amount	**100.00%**	**936.69**	**100.00%**	**525.88**

The disclosure above represents separate information for the consolidated entity before elimination of inter-company transactions. The net impact on elimination of inter-company transactions/ profits or (loss) / consolidation adjustments have been disclosed separately. Based on the Group's structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

42. The Holding Company and the subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act, have 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, the Holding Company and above referred subsidiaries 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 Holding Company and the above referred subsidiaries as per the statutory requirements for record retention.

43. The Group has maintained proper books of account as required by law except the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis from April 01, 2025 to August 31, 2025.

44. Other statutory information

i) No proceedings have been initiated or are pending against the Group 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 consolidated financial statements are held in the name of the Group.

iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group does not have any transactions with the companies struck off.

v) The Group 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 Group 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 Group (Ultimate Beneficiaries)
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

viii) The Group 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 Group 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).
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ix) The Group has borrowings from banks on the basis of security of current assets and the quarterly returns and statements of current assets filed by the Group with banks are in agreement with the books of accounts.

x) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

xi) The Group 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.

45. Subsequent event

No significant subsequent events have been observed till May 12, 2026 which may require any additional disclosure or an adjustment to the consolidated 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 12, 2026

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

Parvat Srinivas Reddy
Managing Director
DIN: 00359139

Subbu Venkata Rama Behara
Chairman
DIN: 00289721

Gunneswara Rao Pusarla
Chief Financial Officer

Priyanka Agarwal
Company Secretary
Membership no: A76000

Place:Hyderabad
Date: May 12, 2026

Notes

Notes

Notes

MTAR®

Building Nation with Exceptional Engineering